Saskatchewan Transportation Company
2010 Annual Report

2010 at a Glance

- Carried 268,335 passengers; up 9,801 from 2009.
- Carried over 20,000 seniors during the May and September sale.
- Sold 2,506 youth passes during June, July, and August.
- Travelled 3.2 million scheduled miles, serving 290 Saskatchewan communities.
- All coaches fueling in Regina and Saskatoon operated on a 2 per cent canola biodiesel blend utilizing 98 per cent Saskatchewan-grown canola.
- Operating subsidy requirement of $8.4 million.
- Passenger satisfaction rating of 92 per cent.
- Enhanced on-board amenities, added security, and continued to make facility improvements.
- Total revenues of $16.2 million.
- Total expenditures of $27.0 million.
- Received the Award of Excellence from the Canadian Institute of Chartered Accountants (CICA) for its 2009 Annual Report.

Corporate Mandate

The Saskatchewan Transportation Company (STC) is a provincial coach company which provides SAFE, AFFORDABLE and ACCESSIBLE bus passenger and freight services to Saskatchewan communities.

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Letter of Transmittal

Regina, Saskatchewan
March 31, 2011

To His Honour
The Honourable Dr. Gordon L. Barnhart
Lieutenant Governor of the Province
of Saskatchewan

Dear Sir:

I have the honour to submit herewith the annual report of the Saskatchewan Transportation Company (STC) for the year ended December 31, 2010, in accordance with *The Crown Corporations Act, 1993*. The financial statements are in the form approved by the Treasury Board and have been duly certified by the company's auditors.

I have the honour to be, Sir,
Your obedient servant,

Honourable Jim Reiter
Minister Responsible for STC

Message from the Minister

STC continues to fulfill an important role in our province. Serving 290 communities in Saskatchewan, the company takes pride in its ability to deliver all passengers and freight to their appropriate destinations in a safe, timely, and cost-effective manner.

From the beginning, our government has held a collective vision of province-wide growth. It is a common theme throughout all Crown Corporations, and is necessary for Saskatchewan's economic well-being. At STC, the primary target for growth is ridership, and I am pleased to report that ridership has increased 3.8 per cent in the past year, recovering from a period of industry recession. This speaks well of the board, management and staff of STC, and points to a better future ahead for the company, and the people and communities it serves. Bus travel is affordable, comfortable and environmentally friendly. More and more people are finding this out, and that will only strengthen the corporation in the future. With over a quarter of a million passengers a year, STC helps to connect friends, families and businesses across our vast province. Moving over a million pieces of freight a year is a key economic underpinning of our province's economy.

With an increase in passenger levels, our revenue strengthens, our reputation grows and our services improve. You can read in this report about a number of improvements in security, passenger comfort and environmental friendliness. We have accomplished a lot in the past year, but this only spurs the corporation on to further improvements and further successes.

I firmly believe tremendous opportunity awaits our province. An effective and efficient bus service plays an important role in the economic development of Saskatchewan.

I am pleased to present STC's 2010 Annual Report.

Honourable Jim Reiter
Minister Responsible for STC

Message from the Chair

The word is getting out – STC provides a safe, affordable, efficient, and very user-friendly way for Saskatchewan people and businesses to get themselves, or their products, to where they want or need to be.

This is evident by the 3.8 per cent growth in ridership in 2010 – almost 10,000 new passengers added to our rider base of 258,000. There are a number of reasons for this: special discounts and promotions, improvements in our facilities, better safety and security, and on-board enhancements such as free Wi-Fi on our major routes, fold-down trays and more leg room. Travelling with STC is more enjoyable than many people realize. Our customer satisfaction rate (by those defining our service as good or excellent) is 92 per cent; an astonishing rate and a testament in particular to our front line staff who are our passengers' primary point of contact.

While the majority of our riders are youth under 25 and seniors over 60, we see a continuing rise in passengers between the ages of 25 and 60. Business people in particular are finding that business travel by bus is extremely cost-effective and comfortable. With the addition of Wi-Fi on major routes, riding with STC provides an excellent opportunity to remain connected and productive while travelling; an option that rarely exists with other forms of travel.

STC is more than passenger service. We are a major shipper, positively affecting business throughout the province. With over a million pieces of freight moved annually, STC is an important economic driver for business, both urban and rural. Farmers and dealerships ship agricultural parts across the province, and oil, gas and mining companies rely on STC to ship core and mineral samples, as well as equipment parts. Businesses province-wide depend on STC to get their goods to customers.

STC provides valuable service to the health system; Canadian Blood Services uses STC to ship blood to hospitals every day of the week. Municipalities ship water samples for testing at labs. Dentists and optometrists ship supplies to communities province-wide. Thirteen per cent of our passengers rely on STC for medical purposes, providing significant efficiencies for the health system.

We support the social life of the province, providing free shipping to various charities and non-profit organizations such as The Christmas Wish Foundation, The Arthritis Society and The Terry Fox Foundation. We even ship movies to small town theatres.

People realize more and more that if you want to save our environment, bus travel is the most environmentally friendly form of transportation. A bus has four times less environmental impact than personal vehicles, five times less than a train and six times less than an airplane. One STC bus can displace the emissions of 55 private vehicles. All buses fueling in Regina or Saskatoon run on a biodiesel blend, 98 per cent of which comes from Saskatchewan canola growers.

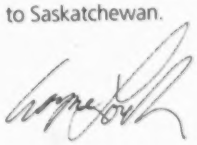
2010 was a turnaround year – we recovered riders and express business lost in 2008 due to an industry downturn, and our customer base is growing.

Management has undertaken a number of efficiency reforms to ensure that STC remains cost-effective. The Board is confident that STC is well positioned for growth in both passenger and freight services, and is ready to manage these increased load factors without incurring significant additional costs.

STC's outstanding customer service is the result of the diligent and dedicated work of our staff, which is the reason so many customers return to become STC riders and freight customers.

I thank our Board of Directors for their positive contributions and support during 2010 — on their behalf I express our gratitude and respect to all STC staff for their special efforts, and of course a very special thanks to our growing number of riders and freight customers.

In the years ahead, we plan to bring a heightened awareness throughout the province of STC's excellent services, and of the real value which STC provides to Saskatchewan.



Wayne Lorch
Chair of the 2010 STC Board of Directors

Message from the President

2010 was a year of improvements.

I am pleased to report that STC has grown its ridership in 2010 by almost 10,000 riders. This is an increase of almost 4 per cent over the prior year and is a significant achievement given the recent declines in ridership being experienced by all carriers in the industry.

There were many reasons for STC's success in 2010.

Seat sales that were trialed in 2009 were expanded successfully in 2010. Senior seat sales in both May and September offered one-way travel on STC's network for only $10. Results were overwhelmingly positive with more than 20,000 seniors taking advantage of the sales.

In addition to the senior seat sale, STC re-packaged its youth pass which offers unlimited travel for the duration of the pass. In 2010, the pass was priced at $40 for one month of travel and was offered for the months of June, July and August. In 2009, the pass was $75 for the two-month period of July and August. Sales of the pass soared in 2010 with 2,506 passes sold, compared to only 264 passes in 2009.

STC improved its on-board amenities. More coaches were equipped with Wi-Fi, allowing our travellers to stay connected. Students were able to do homework while on their way to visit family and friends. Business travellers found it a convenient way to convert travel time to productive time. Wi-Fi continues to be one of the most popular customer requests. In 2011, we will expand this service to additional coaches in our fleet.

Other amenities were added to a larger proportion of our fleet in 2010, including fold-down trays, extended leg room, AC power outlets, and window shades. These amenities make a significant difference to the comfort of our passengers.

On-board security enhancements continued in 2010. STC's coaches are equipped with GPS, allowing for precise tracking of the location of each coach. This, in addition to security improvements, such as random screening of passengers and increased training for our drivers, has greatly improved the confidence of our travellers.

Terminal improvements in 2010 have been made with our customers in mind. Brighter and more efficient lighting provides a safer and more comfortable environment. Washrooms that were once dark and enclosed were modernized to provide bright and spacious areas for all customers, including those in wheelchairs.

New passenger seating was installed. Charging stations are now provided in our terminals to allow our customers to charge their electronic devices. In addition, these terminals now have personal workspaces for those wishing to have access to a work surface.

With all of these improvements, it is perhaps obvious that STC's ridership should be increasing. We are confident in our service ability – 92 per cent of our current passengers rate the service they receive as good or excellent.

Despite our current customers' confidence in our services, our challenge continues to be finding ways to communicate the benefits of bus travel to those who do not currently ride with us. In 2010, STC continued to focus on advertising and promotional efforts. As in 2009, STC partnered with CTV on its Hometown Tour, a terrific initiative to keep our communities connected and bring awareness to STC's services.

In 2011, STC will continue with its advertising and promotions, but will strive to be even more creative in the use of signage and promotions, such as the implementation of travel packages that offer hotel accommodation and STC transportation for a great value. Simply stated, the value, comfort and convenience of our services to the province need to be better understood so that we can earn the opportunity to serve a growing customer base.

During 2010, STC management and staff took steps to ensure that the organization was running efficiently. Processes and procedures were reviewed company-wide to look for savings or ways to improve our customer service. We feel confident that we are providing the taxpayers with the best value for their investment in our current services, and we will remain focused in that pursuit.

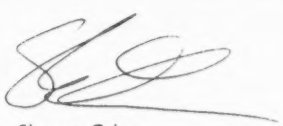
STC has the additional capacity in place to handle significant growth in both riders and freight, meaning that costs can be controlled as revenues grow. This further defines our greatest challenge, that of getting the message out about the services we offer and the value we provide to Saskatchewan, as our greatest opportunity.

In all of our efforts, STC continues to place a growing importance on being green. Not only is bus travel one of the greenest travel choices available, which you can read about within this report, but the company takes numerous additional steps to be green. In 2010, building on other initiatives such as the use of biodiesel in our coaches, STC installed new, efficient lighting and initiated a company-wide light bulb recycling program. Green initiatives will continue to be important to the company in 2011.

STC continues to serve 290 communities and travels 3.2 million miles per year. We partner with 227 independent businesses and contractors from Saskatchewan to ensure our service is as seamless as possible. A majority of these agreements come from our rural agencies. I want to thank these partners for their dedication and want to express how much their quality of service means to our business.

To our staff, I commend you for the efforts put forth in 2010. It is my pleasure to reply to the numerous letters of customer appreciation that STC receives. A customer satisfaction rating of 92 per cent (who rate our services as good or excellent) is attributable to your daily contributions to this company. We couldn't have done it without you.

To the readers of this report and to the people of Saskatchewan, I encourage you to have another look at STC, The Bus Company. We're improving, and we look forward to serving you.



Shawn Grice
President & CEO

2010 Corporate Profile

- Established in 1946
- Operates 29 bus routes, travelling 3.2 million miles per year
- Serves 290 communities in Saskatchewan
- Has 197 agents operating in Saskatchewan
- Owns and operates passenger and parcel express terminals in Regina, Saskatoon, and Prince Albert
- Operates two service garages in Regina and Saskatoon
- Maintains its head office in Regina
- Has a fleet of 44 coaches, 23 per cent of which are wheelchair accessible, varying in size from 20 seats to 55 seats, as well as a freight truck and freight trailers
- Employs 231 people; approximately 84 per cent of STC's workforce is unionized (193 out of 231 as of December 31, 2010)
- The Amalgamated Transit Union Local 1374 represents the in-scope employees
- $12.0 million of annual payroll (2009: $12.2 million)
- $43.0 million of assets (2009: $44.0 million)
- $16.2 million of revenues (2009: $15.7 million)
- $27.0 million of operation expenses (2009: $26.3 million)
- $2.1 million of capital expenditures (2009: $2.3 million)

Mission Statement

To provide Saskatchewan residents with **CONVENIENT, AFFORDABLE, SAFE, COURTEOUS** and **RELIABLE** passenger and freight transportation services.

Vision Statement

STC is the best passenger and freight transportation company in Canada.

Corporate Values

All business activities are conducted in a manner that is:

- Honest
- Dependable
- Innovative
- Respectful
- Socially and Environmentally Responsible

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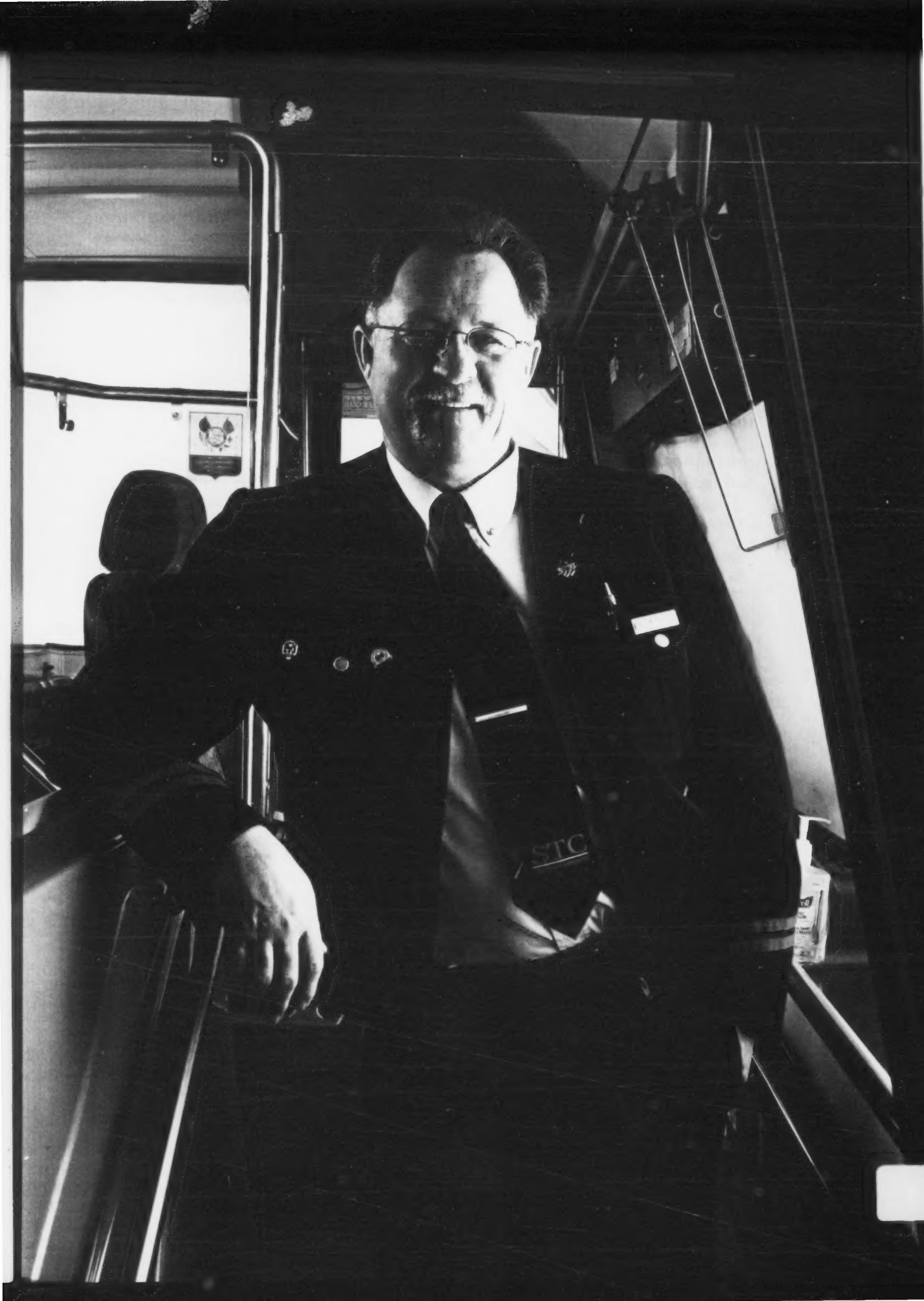

Divisions of STC

Customer Services and Operations

The Customer Services and Operations division is responsible for passenger, parcel express and maintenance services. The division includes the following components:

Passenger Services

Passenger Services is responsible for ensuring passengers enjoy safe and reliable transportation. It operates the motor coaches, issuing of tickets, scheduling, maintenance of tariffs, dispatching of buses and drivers, as well as managing the network of 197 agencies and the maintenance and management of buildings. In addition to regular passenger services, charter services are also operated and managed in this area.

Parcel Express Services

Parcel Express Services is responsible for the freight and baggage handling for all STC coaches and connecting carriers. Door-to-door pickup and delivery services are also available in Regina, Saskatoon, Prince Albert and in some designated rural agencies.

Maintenance Services

Maintenance Services' primary responsibility is to maintain, clean and provide storage for all STC vehicles. It is also responsible for the procurement of all corporate vehicles. These duties are performed in the two service garages in Saskatoon and Regina. This area also provides maintenance, cleaning services and storage to coaches of other carriers on a contract basis. When required, it is also responsible for on-the-road servicing of STC coaches.

Finance

The Finance division provides the information required to monitor STC's performance and make effective decisions. The division delivers accurate financial reporting, budgeting and forecasting; assesses risk and insurance requirements; and monitors internal control functions. In addition, specific groups within the division are responsible for billing and collection of revenue, issuing payments to suppliers, monitoring reports from agencies, and processing reclaims with partner carriers.

Corporate Systems and Technology

STC's Corporate Systems and Technology division is responsible for implementing and maintaining efficient business processes through the introduction of new technologies. It ensures that ticketing and freight systems across Saskatchewan are capable of serving STC's customers 24/7 in a quick and convenient manner. It also ensures the reliability and integrity of data, electronic communications, software applications and web services. The division provides technical support across the province to employees operating a variety of systems that support our business, as well as to major customers that have STC shipping systems in their distribution centres. The Corporate Systems and Technology division is responsible for procurement and management of all corporate hardware and software.

Human Resources and Payroll

The Human Resources and Payroll division provides leadership and strategic human resource advice and support to ensure STC has a strong and committed workforce. To provide a standard of excellence, the division delivers human resource services, including recruitment and retention; labour relations; human resource policy and planning; learning and development; organizational development and design; payroll and benefits administration; occupational health and safety and, diversity and rehabilitation/return to work programs. It also plays a key role in representing the employer during collective agreement bargaining with the Amalgamated Transit Union Local 1374 and contributing to a positive employer/employee relationship.

Communications and Planning

The Communications and Planning division is responsible for corporate communications and forward planning. It establishes STC's strategic business plans and reports on performance and governance compliance. It is responsible for promotional advertising, corporate branding, public relations and for ensuring effective communications between the company and its shareholder (CIC), the media and the Government of Saskatchewan. The division also has responsibility for privacy of information and requests under freedom of information legislation.

2010 Year in Review

An understanding of what happened to STC in 2009 is necessary in order to fully grasp the company's 2010 performance. Going into 2009, STC's ridership numbers were dropping. Industry-wide concerns about the safety, cleanliness and convenience of bus transportation caused travellers to look for alternatives. To counteract this trend, STC introduced deeply discounted seat sales in 2009 aimed at rebuilding the company's image and growing ridership.

Seat sales focusing on specific routes and mid-week discounts had limited success in 2009. In July 2009, STC's $75 youth pass did not generate expected sales. However, positive feedback from customers convinced STC that it was on the right track to attract more youth riders. September was undoubtedly STC's highlight for 2009. The company offered a one-way fare anywhere on STC's network for $7 to passengers 60 years of age or over, yielding a 227 per cent increase in senior ridership.

Through these experiments in 2009, STC gained important information regarding consumer behaviour. Key lessons learned from the 2009 seat sales included:

- targeted seat sales are more effective than network-wide sales;
- a flat rate is easier to communicate than percentage discount; and,
- effective advertising is crucial to a successful campaign.

With those lessons in mind, STC built its 2010 marketing plan. The success of the 2009 senior seat sale encouraged STC to offer two similar sales in 2010. STC also offered a completely repackaged youth pass.

STC's 2010 youth pass provided unlimited travel during June, July, and August for $40 per month.

Building Ridership

STC is determined to operate as efficiently as possible and minimize its reliance on government support. In order to achieve this, STC placed emphasis on building a strong passenger base while rebuilding the company's image in 2010.

STC offered deeply discounted seat sales in 2010 to build ridership by targeting promotions at various demographics with different discount levels. The sales were as follows:

- The $10 Seniors Anywhere Fare: a flat-rate promotion which allowed seniors (ages 60+) to travel anywhere on STC's network for just $10 per one-way ticket in May and September.
- Youth Pass: a $40 flat rate promotion for youth aged 13 to 25. Customers received unlimited travel anywhere along STC's network during one month. The pass was offered in June, July, and August.

Both sales were very successful. The senior sale carried over 20,000 senior passengers in the two month period. The youth pass sales totaled 2,506 during the three month offer, contrasted with only 264 youth passes sold in 2009.

The seat sales stimulated an increase in ridership that extended through the fourth quarter and resulted in a 3.8 per cent increase over 2009. Nearly 10,000 more passengers rode with STC in 2010. By getting more riders to try STC through seat sales and advertising campaigns, STC is confident it has started the process of improving perceptions of bus travel in Saskatchewan.

Environmental Responsibility

STC continues to place a high level of importance on environmental stewardship and believes that it must remain one of the company's top corporate values.

In its 2010 business practices, STC continued and expanded its environmental initiatives. STC partnered with the Saskatchewan Environmental Society and participated in the Retire Your Ride program, which offered a $1,000 bus transportation credit as an incentive for owners who recycled their vehicle. The offer was chosen by 22 people in 2010, bringing the two year total to 38.

Also in 2010, every bus fueled in Regina and Saskatoon operated on a two per cent biodiesel blend. This benefits both the environment and the Saskatchewan economy by supporting local businesses and producers involved in the production of this renewable fuel source. STC will continue to support Saskatchewan's agriculture sector through this initiative. More than 98 per cent of the distressed (non-food grade) canola seed purchased for STC's biodiesel production came from Saskatchewan producers.

The bus industry is environmentally friendly by nature. One STC bus can displace emissions from 55 private vehicles and Transport Canada reports bus travel as having the lowest social cost (air pollution, greenhouse gas emissions, noise, road congestion, and accidents) per passenger kilometer as compared to any other form of transportation.

To spread the word, STC focused on incorporating environmental messaging into its advertising. According to STC's 2010 Passenger Survey, 94 per cent of passengers are aware of the environmental friendliness of bus transportation.

STC launched a number of new environmental initiatives in 2010, such as installing energy efficient lighting and recycling fluorescent light bulbs to reduce pressure on landfills and maximize opportunities to reuse waste.

Enhanced Amenities

While seat sales enhanced the affordability of bus travel, STC also boosted the attractiveness of travelling by bus.

Based on direct interaction with passengers and feedback via on-bus customer surveys, STC is in the process of upgrading on-bus amenities to enhance passengers' travel experience. These improvements include:

- free on-board Wi-Fi internet service on the Regina-Saskatoon and the Regina-Moose Jaw corridors;
- extended leg room between seats;
- fold-down trays for selected seats;
- AC power outlets; and,
- blinds.

STC also focused on improving the in-terminal experience for customers. All three of STC's terminals in Regina, Saskatoon, and Prince Albert received enhancements in 2010. In Saskatoon, terminal lighting, seating, parking, and public washrooms were all upgraded.

All three terminals had power charging stations installed. The charging stations allow customers to plug in their electronic devices and provide a workspace for passengers on layovers or delays.

Service Improvements

Minor schedule alterations were implemented in 2010 to fit customer needs and ease connections for both Greyhound and STC. They are as follows:

- the Regina-Yorkton-Preeceville schedule was adjusted to depart earlier on statutory holidays falling on a Monday to accommodate passengers travelling to Regina for medical reasons;
- the afternoon Moose Jaw-Regina schedule was adjusted to depart earlier to allow for more accessible evening connections out of Regina;
- the afternoon Estevan-Regina schedule was adjusted to depart 30 minutes earlier from Estevan to give passengers a year-round connection with the westbound Greyhound in Regina;
- the Swift Current-Rosetown-Saskatoon schedule was adjusted to depart Swift Current 3 hours and 40 minutes earlier on Sundays to allow for earlier arrival in Saskatoon; and,
- the Shellbrook-Saskatoon schedule was adjusted to depart Shellbrook 15 minutes later on the morning schedule to Saskatoon and to depart 15 minutes earlier from Saskatoon to Shellbrook on the evening schedule to better reflect passengers' needs.

STC conducted a review of its existing long-term discounts and programs. Adjustments were made to reduce the number of programs and simplify them for STC's customers. STC's discounts and programs are illustrated in the chart titled 2010 STC Passenger Discounts and Programs.

Ride in comfort
Ride for just $10
Ride with STC
$10 SENIOR SEAT SALE
MAY 1 - 31, 2010
RIDE ANYWHERE IN SASKATCHEWAN FOR $10.
VISIT STCBUS.COM FOR DETAILS.
Available to travelers 60 plus. Offer is for one-way fare only.
goGreen
STC
The Bus Company

2010 STC Passenger Discounts and Programs

Program/Discount Name	Program Details
Senior Gold Discount (65+)	Adults ages 65 and over receive 30% off regular adult fares.
Senior Discount (60 - 64)	Adults 60 - 64 receive 10% off regular adult fares.
Student Discount	Present a valid Student Card and receive 10% off the regular adult fares. Applies to all primary, secondary, university and college students.
Child Fares	Children ages 4 and under ride for **free** when accompanied by an adult. Children ages 5 to 11 ride for half price.
Way to Go (Frequent Rider Program)	Purchase a Way to Go pass for $30 and receive a 20% discount off the applicable Adult, Student or Senior (60 - 64) fare. Passes are valid for one year from the date of purchase. **Cannot be combined with the Senior Gold Discount (65+).**
Midweek Return Discount	Purchase a round trip ticket for travel occurring on Tuesday, Wednesday or Thursday and receive a 20% discount off the regular adult fare.
Medical Passes	Persons travelling on STC routes for physician-prescribed treatments may purchase a Medical Pass for $53.95. The pass provides unlimited travel on a specified corridor for a period of 30 days.
Blind & Disabled Persons' Accompaniment Program	Visit the Accessibility Services page on STC's website or phone your STC agent for details.
Compassionate Fares	Persons travelling for the funeral of an immediate family member can apply for a 20% rebate.
Group/Bulk Discounts	Any person or group purchasing ten or more regular fare tickets will receive a 10% discount off the regular adult fare(s).

Ensuring Customer Safety and Security

We are Equipped to Protect You

Whether it is providing safe passage through difficult road conditions, prohibiting items not permitted into the passenger compartment, or handling unusual situations, safety is a high priority for STC drivers and the company overall.

In 2010, STC took further steps to enhance the safety of its passengers and employees by equipping its staff with more safety-related training and installing new security features on its fleet and in the terminals.

Passengers riding with STC are encouraged to keep carry-on baggage to a minimum and to stow most luggage in the lower baggage compartment. Drivers have explicit authority to restrict carry-on baggage and to inspect passengers and their carry-on baggage at their discretion. Security personnel at STC's three primary terminals are also available to assist drivers with boarding inspections.

Security features completed in 2010 included:

- completion of plexi-glass driver compartments on all buses;
- installation of Global Positioning Systems (GPS) on all coaches servicing STC routes for dispatchers to monitor each bus and identify any security concerns; and
- provision of self-defense and first aid training for drivers to educate them on ways to deal with a wide variety of problems.

Communities along CTV's Hometown Tour gave STC a warm welcome in May and September.

STC values the importance of training and development for all our staff. A total of 183 employees attended safety educational sessions including first aid and CPR courses, Workplace Hazardous Materials Information System (WHMIS), and forklift training.

High Maintenance Standards to Ensure a Safe Ride

STC's primary mission is to provide safe and reliable passenger and parcel express services to the residents of Saskatchewan. Our maintenance services division assists the company in this goal by ensuring our vehicles have a high safety standard.

Service checks are conducted frequently, including standard checks on engines, cables, batteries, belts, and other components.

In addition, a regular, more comprehensive inspection is undertaken, including taking oil samples, adding fluids, and lubricating baggage doors.

Finally, a periodic all-inclusive inspection is conducted. During this check, all aspects of the coach are surveyed and serviced.

Operating Efficiently

While striving to grow ridership and make service improvements that our customers want and expect, STC must always be mindful of cost.

Although both express and passenger revenues were higher in 2010 than 2009, the need still exists for STC to maximize efficient use of its dollars.

A portion of STC's budget comes in the form of government support.

Thus, undertaking cost efficiency strategies is the company's duty to both taxpayers and the government. In 2010, the company undertook a number of reviews to further streamline its operations such as:

- a company-wide review of its data handling measures to reduce manual processes and duplications;
- a complete review of staffing and workload levels, enabling STC to adjust shifts and re-assign work within the company to maximize its efforts;
- new and more efficient information technology to better protect STC's data;
- LEAN review of the maintenance operations; and,
- on-line employee records and insurance claims were instituted to allow STC to save on paper and labour costs.

Traditional customer service standards were not sacrificed at the expense of cost savings. In 2010, 92 per cent of passengers rated STC's service as good or excellent.

STC passengers gave the company a 92 per cent satisfaction rating in the 2010 customer surveys.

2010 STC Passenger Discounts and Programs

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Senior Discount (60 - 64)	Adults 60 - 64 receive 10% off regular adult fares.
Student Discount	Present a valid Student Card and receive 10% off the regular adult fares. Applies to all primary, secondary, university and college students.
Child Fares	Children ages 4 and under ride for **free** when accompanied by an adult. Children ages 5 to 11 ride for half price.
Way to Go (Frequent Rider Program)	Purchase a Way to Go pass for $30 and receive a 20% discount off the applicable Adult, Student or Senior (60 - 64) fare. Passes are valid for one year from the date of purchase. **Cannot be combined with the Senior Gold Discount (65+).**
Midweek Return Discount	Purchase a round trip ticket for travel occurring on Tuesday, Wednesday or Thursday and receive a 20% discount off the regular adult fare.
Medical Passes	Persons travelling on STC routes for physician-prescribed treatments may purchase a Medical Pass for $53.95. The pass provides unlimited travel on a specified corridor for a period of 30 days.
Blind & Disabled Persons' Accompaniment Program	Visit the Accessibility Services page on STC's website or phone your STC agent for details.
Compassionate Fares	Persons travelling for the funeral of an immediate family member can apply for a 20% rebate.
Group/Bulk Discounts	Any person or group purchasing ten or more regular fare tickets will receive a 10% discount off the regular adult fare(s).

Ensuring Customer Safety and Security

We are Equipped to Protect You

Whether it is providing safe passage through difficult road conditions, prohibiting items not permitted into the passenger compartment, or handling unusual situations, safety is a high priority for STC drivers and the company overall.

In 2010, STC took further steps to enhance the safety of its passengers and employees by equipping its staff with more safety-related training and installing new security features on its fleet and in the terminals.

Passengers riding with STC are encouraged to keep carry-on baggage to a minimum and to stow most luggage in the lower baggage compartment. Drivers have explicit authority to restrict carry-on baggage and to inspect passengers and their carry-on baggage at their discretion. Security personnel at STC's three primary terminals are also available to assist drivers with boarding inspections.

Security features completed in 2010 included:

- completion of plexi-glass driver compartments on all buses;
- installation of Global Positioning Systems (GPS) on all coaches servicing STC routes for dispatchers to monitor each bus and identify any security concerns; and
- provision of self-defense and first aid training for drivers to educate them on ways to deal with a wide variety of problems.

Communities along CTV's Hometown Tour gave STC a warm welcome in May and September.

STC values the importance of training and development for all our staff. A total of 183 employees attended safety educational sessions including first aid and CPR courses, Workplace Hazardous Materials Information System (WHMIS), and forklift training.

High Maintenance Standards to Ensure a Safe Ride

STC's primary mission is to provide safe and reliable passenger and parcel express services to the residents of Saskatchewan. Our maintenance services division assists the company in this goal by ensuring our vehicles have a high safety standard.

Service checks are conducted frequently, including standard checks on engines, cables, batteries, belts, and other components.

In addition, a regular, more comprehensive inspection is undertaken, including taking oil samples, adding fluids, and lubricating baggage doors.

Finally, a periodic all-inclusive inspection is conducted. During this check, all aspects of the coach are surveyed and serviced.

Operating Efficiently

While striving to grow ridership and make service improvements that our customers want and expect, STC must always be mindful of cost.

Although both express and passenger revenues were higher in 2010 than 2009, the need still exists for STC to maximize efficient use of its dollars.

A portion of STC's budget comes in the form of government support.

Thus, undertaking cost efficiency strategies is the company's duty to both taxpayers and the government. In 2010, the company undertook a number of reviews to further streamline its operations such as:

- a company-wide review of its data handling measures to reduce manual processes and duplications;
- a complete review of staffing and workload levels, enabling STC to adjust shifts and re-assign work within the company to maximize its efforts;
- new and more efficient information technology to better protect STC's data;
- LEAN review of the maintenance operations; and,
- on-line employee records and insurance claims were instituted to allow STC to save on paper and labour costs.

Traditional customer service standards were not sacrificed at the expense of cost savings. In 2010, 92 per cent of passengers rated STC's service as good or excellent.

STC passengers gave the company a 92 per cent satisfaction rating in the 2010 customer surveys.

Serving Saskatchewan

Our Employees

The top priority for any company is customer service. STC recognizes each customer's value and strives to deliver friendly, helpful, and courteous service. The checklist to ensure customer service standards are met is lengthy. Selling tickets, handling baggage, cleaning coaches, and maintaining terminals all offer opportunities for interaction with patrons. While customers may overlook such minute exchanges with employees, STC recognizes that each one is vital to overall customer satisfaction.

The onus falls on the employees who do not interact with STC users on a daily basis to keep those on the front lines informed and mindful of company policies and procedures in customer service. In 2010, STC continued the development of its internal website first launched in 2009. The site is easy to navigate and readily accessible through information kiosks and computers.

A bi-monthly internal newsletter also circulates among employees. These communications initiatives, complemented by training and regular face-to-face communication, allow STC to better equip our employees to provide exceptional service.

A representative workforce reflective of Saskatchewan's general population is important for STC. Our Aboriginal and visible minority staff, as well as younger employees that have joined the STC team, bring valued diversity to the organization. With the large number of baby boomers comprising the workforce, the recruitment of young individuals is vital to the longevity of the company. STC is working diligently to recruit talented personnel to continue replenishing the company's employee resources.

Our Passenger Services

STC's operations rely heavily on independent businesses to facilitate seamless service, especially in rural areas of the province. STC has established working relationships with private sector entities such as STC agents, interline carriers, and contract carriers to help provide service throughout the province.

STC's maintenance team is dedicated to ensuring our passengers have a safe, reliable and pleasant ride.

A number of initiatives were undertaken to improve the passenger experience, including more leg room in buses, fold-down trays, Wi-Fi on major routes, charging stations and laptop workstations in the terminals, improved lighting in the terminals and significant upgrades to the Saskatoon terminal.

Our Parcel Services

For many rural Saskatchewan communities, STC's express service is the primary carrier of parcels and freight. Farm equipment, small business needs, gifts or care packages meant for families and friends, even lab samples and life-saving blood are carried on a daily basis.

2010 saw the continuation of STC's use of trailers attached to its buses to transport more cargo. In addition to providing overnight terminal-to-terminal service through contractual arrangements with private companies, STC and its agencies provide our customers with door-to-door pickup and delivery service in major centres.

STC is also one of the very few delivery businesses located in the province that provides weekend service to many points.

Our Community Support

STC has demonstrated that it is a good corporate citizen and believes in exercising its corporate responsibility through supporting a variety of community events and programs. STC participated in the Retire Your Ride program, a joint initiative of the Government of Canada, Saskatchewan Environmental Society, Clean Air Foundation and other environmental groups, to efficiently recycle 1995 and older vehicles. At the conclusion of 2010, Retire Your Ride had disposed of over 4,000 vehicles in Saskatchewan. As one of the incentive providers, STC offers a $1,000 credit for bus passenger travel as one of the many rewards for Saskatchewan participants to choose from. A total of 38 people chose the STC incentive.

STC partnered with CTV Saskatchewan in its Hometown Tour program transporting CTV news anchors to broadcast live in 20 communities around the province. In return, CTV highlighted STC's provincial-wide accessibility in its newscast and provided TV advertising spots for the senior seat sale. With the assistance of STC, CTV was able to broadcast live from rural Saskatchewan communities where extremely warm welcomes were given by local residents.

Every day, the Hometown Tour gave a different community the opportunity to share the provincial spotlight with CTV. Meanwhile, STC's senior seat sales gained a rich reward: more than 20,000 seniors took advantage of the special fare during May and September.

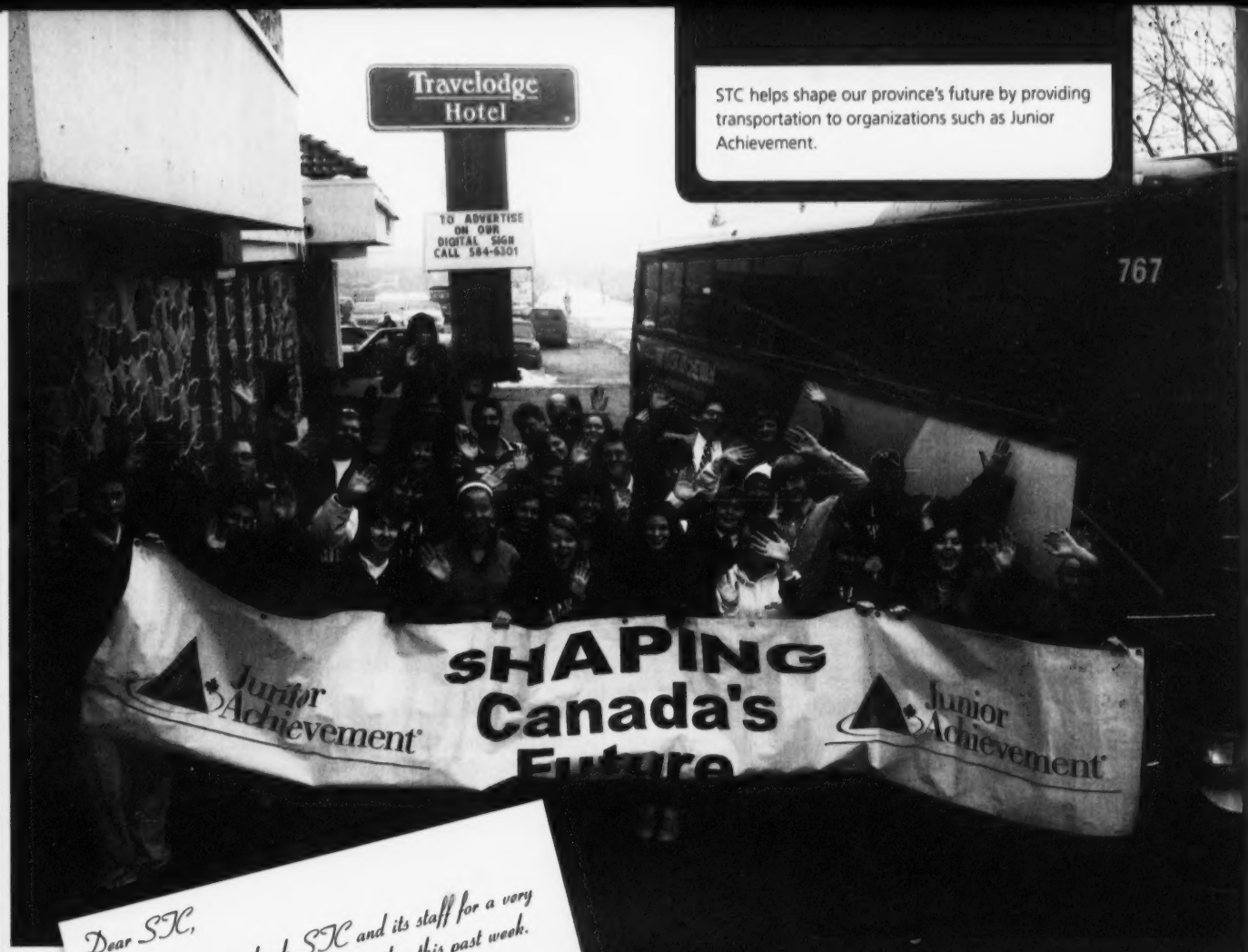
Besides the corporate efforts to improve our province, STC staff organized different fundraising events for local charities, such as the 16th Annual STC Charity Golf Tournament for the Parkland Victims Services. During the summer, STC held staff barbecues at each of their main locations, with all the proceeds going towards KidSport Saskatchewan. Over $650 was presented to KidSport.

STC also provides in-kind services for several organizations. Trip passes were provided to youths involved in the Junior Achievement Verve Symposium in Regina and also to safety patrollers from around the province to attend their wind-up jamboree. STC provided complimentary shipping to organizations such as the Children's Wish Foundation, The Arthritis Society and The Terry Fox Foundation. In total, the company's corporate donation program provided prizes or in-kind services to 50 charities, non-profits, and other organizations.

Our Economic Support

With the majority of STC's revenues coming from Saskatchewan residents, STC understands the importance of investing back into the province's economy. In 2010, 87 per cent, or $11.3 million, of STC's expenditures (excluding wages and benefits) were made in Saskatchewan.

STC's corporate responsibility includes giving back to the communities it services by donating to charities such as KidSport Saskatchewan.



STC helps shape our province's future by providing transportation to organizations such as Junior Achievement.

Dear STC,

I am e-mailing to thank STC and its staff for a very pleasant travel experience for my mother this past week.

She recently travelled from Melville to Regina and back again. It has been several years since she has travelled with STC and is now in a wheelchair. They were able to provide her with a bus equipped with a lift for both trips.

All of the staff I encountered during the experience were very friendly and helpful. The bus drivers, the terminal staff and even the helpful security guard were wonderful in assisting myself and my mother during her trip.

I can assure you, because of the pleasant experience, my mother will have no hesitation travelling with STC again.

Thank you for the wonderful service.

Rhonda Szautner

Dear STC,

I am currently emailing you from one of the buses right now. I was encouraged by my bus driver to e-mail you with my appreciations for this feature.

I find the accessibility to Wi-Fi extremely useful. As a student, I am able to do homework and research while travelling on the bus. This is a feature that is not available if I were to drive myself or even car pool with someone. I can assure you that, because of this feature I will be more apt to take the bus in the future, and will certainly encourage others to do the same.

Jessica Matte

Management Discussion and Analysis

The following Management Discussion and Analysis (MD&A) highlights the primary factors that impacted STC operations and financial results of the company over the past 12 months.

Industry Overview

STC has the bulk of the intercity bus passenger business in Saskatchewan. Greyhound runs two routes through the province (along the Trans-Canada and Yellowhead Highways). There are also a number of private sector carriers who have interline and other contractual arrangements with STC to serve specific areas.

Proteus Transportation Enterprises Inc., a Canadian consulting firm on public transportation, points out that there is no comparison when it comes to the type of service STC provides. Proteus also notes that STC is the fourth largest scheduled intercity bus carrier and the second largest bus parcel express operator in Canada. The size of STC's network, relative to its service base population, is unparalleled within the Canadian intercity bus industry. Even the rural bus service networks operated in Manitoba, Quebec and northern Ontario do not offer similar depths of coverage relative to their respective population densities.

Other challenges for STC include:

- geographically dispersed populations;
- ridership profile and continued preferences for private vehicles;
- competition with air transportation;
- growing customer expectations;
- increased operating costs;
- recruitment and retention of employees;
- Greyhound service cuts; and,
- improving the image of bus travel.

These challenges are further described in the Risk Assessment section that follows.

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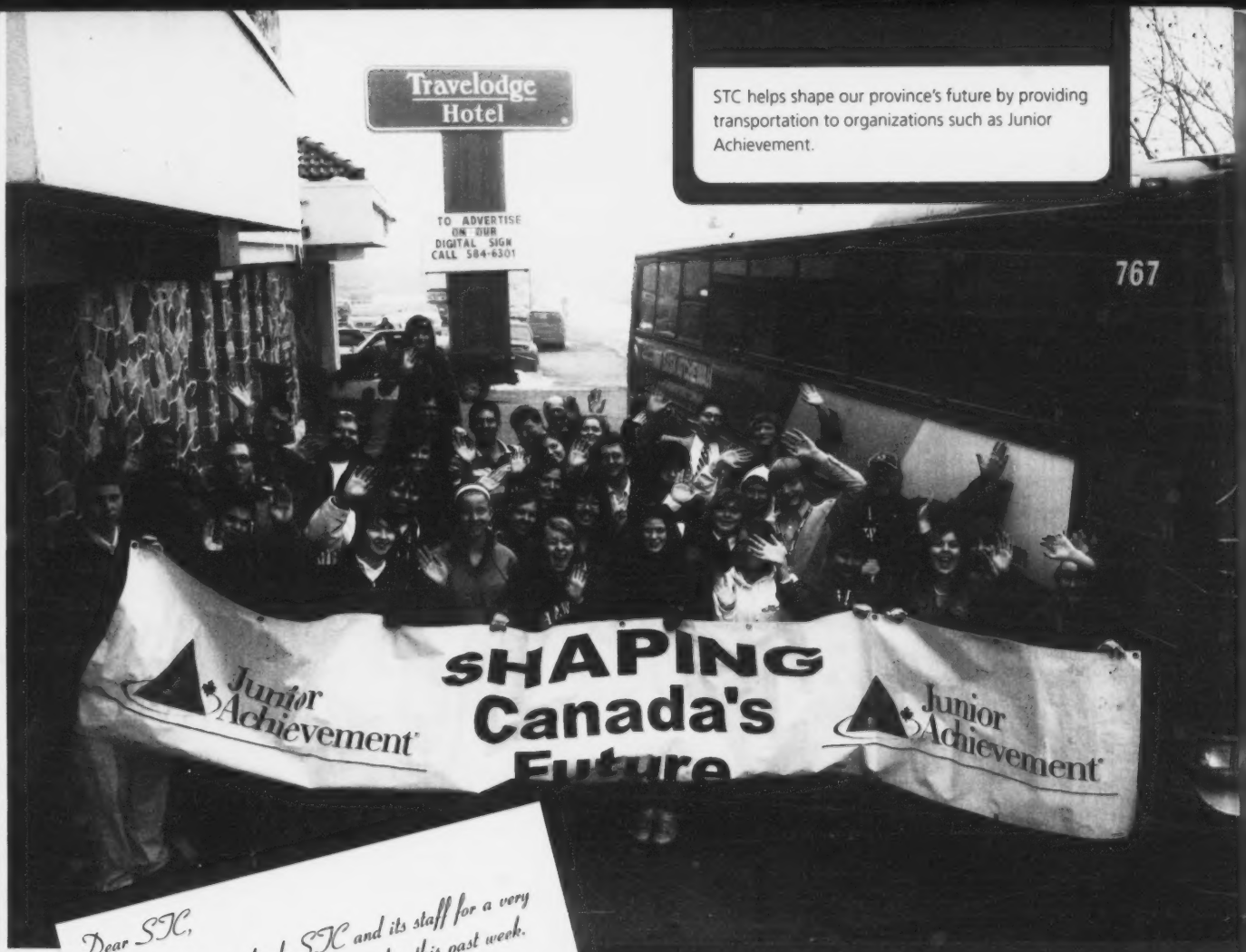

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Risk Assessment

Challenges that directly impacted STC in 2010 are expected to be continuing factors in 2011.

Geographically Dispersed Population

In its *2008 State of the West* report, the Canada West Foundation noted that Saskatchewan has experienced the most significant rural depopulation in Canada. Urban areas were the sole source of population growth from 1996-2006.

Saskatchewan has more than 16,000 miles of provincial highways. Including municipal roads, Saskatchewan's total road surface is approximately 119,000 miles.

In 2010, STC operated more than 3.2 million miles of scheduled bus service and provided connections to 290 communities. Frequency of service is limited on some routes with low passenger numbers. This allows STC to contain costs, but also negatively impacts passenger convenience. STC receives requests from communities currently without service. When reviewing these requests, STC considers arrangements with the private sector to interline with its existing network.

In all parts of Canada, profits from high-density routes are used to offset the losses on low-density routes (cross-subsidization). In Saskatchewan, nearly all of the routes are low density, with insufficient revenues from the best routes to offset the associated losses (STC operates 29 routes; of these, only the routes linking Prince Albert-Saskatoon-Regina cover over-the-road costs). Thus, STC relies on subsidization from its shareholder, Crown Investments Corporation (CIC).

Ridership Profile and Private Vehicle Preference

STC's ridership profile is increasingly becoming more dispersed among all segments of the population. While many customers choose to use STC out of necessity and do not have access to other modes of transportation, others are choosing to ride with STC because of the convenience, environmental benefits, and the ability to relax or be productive on-board. Despite this trend, there are still many that will continue to prefer the convenience and flexibility that private vehicles offer. STC must effectively communicate the numerous benefits of bus travel in order to overcome this challenge.

Competition with Air Transportation

In addition to the private automobile, air service provides alternative transportation between Saskatchewan's major cities, offering frequent, although somewhat more costly, service between Regina and Saskatoon – one of STC's profitable routes.

Growing Customer Expectations

Customers increasingly express a preference for immediate and more personalized services. While STC was pleased to offer more amenities in 2010, such as expanded availability of Wi-Fi, these installations were not without cost. As SaskTel expands its new wireless service, STC anticipates it will upgrade its fleet to offer this feature on more routes. STC will strive to provide as many amenities as is affordable to ensure a more user-friendly travel experience for passengers. In 2011, STC will pilot on-board videos in response to the most popular request from passengers for new services.

Increased Operating Costs

Fluctuating fuel prices will continue to impact the company going forward. Labour costs continue to comprise a large portion of STC operating costs.

Recruitment and Retention of Employees

With a growing number of employees approaching retirement, coupled with increased employment opportunities, STC is challenged in both its recruitment and retention initiatives. In 2010, STC experienced an acute shortage of certified journeyperson mechanics – a situation that was made more difficult due to a continuing shortage of skilled tradespeople in Saskatchewan's booming economy. Similar to 2009, STC's recruitment and retention difficulties extended into other areas of the company – to positions requiring professional accounting experience, motor coach operators and other front-line positions (i.e. coach cleaners, express service attendants).

Greyhound Service Cuts

STC's business is closely tied to Greyhound services through interline arrangements. STC agents and ticket office staff sell Greyhound tickets, making STC the face of Greyhound in Saskatchewan. If Greyhound continues to make service cuts, passenger and parcel customers may be impacted as a result of connections no longer being optimal to meet their needs. Identity confusion between the two companies continues to be a risk. In 2008, Greyhound removed its customer service agent in Regina, resulting in nearly all Greyhound service inquiries being directed at and managed by STC staff.

In late 2010, Greyhound reduced frequency of bus service along Highway 16; which reduced the number of schedules between Yorkton and Saskatoon from four to two. Early indications are that STC is picking up some of this ridership on its Yorkton to Saskatoon route running along Highway 5.

Greyhound made service and route cuts in a number of other Canadian provinces in 2010.

Improving Public Perception of Bus Travel

Despite positive reviews from STC customers (good or excellent combined satisfaction rating of 92 per cent in 2010), there remains a negative perception of bus travel in the industry as a whole. Our customers know we provide good, clean and dependable service. STC's challenge is to utilize media and all other avenues to get the message out to people who have never travelled with STC.

The Canadian Bus Association best summarizes the largest challenge to bus transportation as "despite its benefits, bus is the least understood travel mode and often the least respected."

Opportunities exist for STC to better promote its products and services. Discount programs are planned for 2011, building on lessons learned from 2009 and 2010.

Financial Performance

Introduction

The financial performance of the company is significantly impacted by its mandate to provide service on the widest practical basis. Because of low population densities, there are insufficient passenger and freight volumes to fully recover all operating costs, meaning subsidization is required to serve our extensive network. Therefore no dividend was paid to CIC in 2010 and STC will not be in a position to pay one in 2011.

In STC's case, its financial performance is gauged by whether its costs and subsidy are as low as possible, and by the quality and magnitude of the services provided relative to expenditures incurred. Total cash loss, as a percentage of total expenses (excluding amortization) in 2010 was 32.9 per cent (33.8 per cent in 2009).

Operating and Capital Grants

STC operations are subsidized through grants received from CIC, the central body which oversees Saskatchewan's Crowns. Each year, STC submits its performance measures and grant requirements to CIC for review and approval. In 2010, STC received approval for an operating grant of $9 million to cover its estimated operating losses of which only $8.4 million was utilized. In addition, STC received an approved capital grant of $900,000 to fund capital expenditures.

Other Revenue Sources

In addition to its main lines of business, the company had a number of alternative revenue sources assisting in the financing of its services in 2010. The company:

- provided maintenance and cleaning service to other independent bus lines generating $568,000 in revenue;
- leased excess space in terminals and garages totaling $229,000;
- wrapped trailers and buses with advertising generating $27,000; and,
- obtained an additional $58,000 from automatic banking machines and locker rentals.

STC also operates a limited number of charters, which in 2010 represented $300,000 in revenues. The operation of charters provides opportunities to better utilize the bus fleet, as most take place on the weekends when fewer scheduled trips occur. Charters also increase the company's visibility within the community.

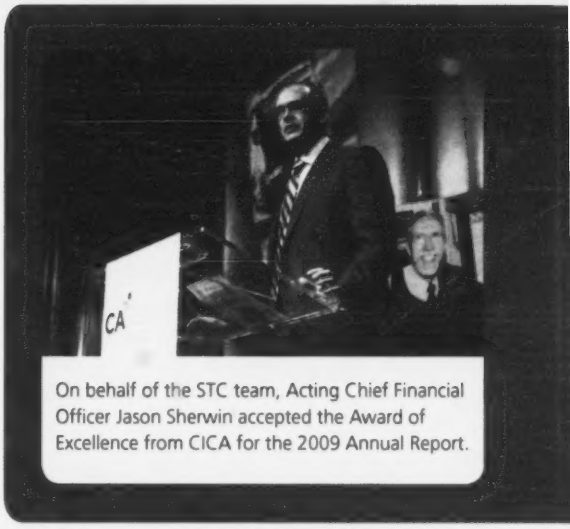
To minimize competition with private charter companies, STC keeps its charter rates somewhat higher than other companies. Requests for service that cannot be accommodated by STC are referred to private sector operators.

Financial Reporting

In 2010, STC received special recognition for its 2009 Annual Report. The Canadian Institute of Chartered Accountants (CICA) presented STC with an Award of Excellence for financial reporting in the category of Small Provincial Crown Corporations.

The Canadian Accounting Standards Board has confirmed that publicly accountable enterprises will be required to adopt International Financial Reporting Standards (IFRS) in place of Canadian Generally Accepted Accounting Principles (Canadian GAAP) for interim and annual reporting in fiscal years beginning on or after January 1, 2011, including comparative figures for the prior year. In September 2009, the Public Sector Accounting Board (PSAB) approved an amendment to the introduction of the Public Sector Accounting Handbook which requires Government Business Enterprises (GBEs) to adopt IFRS and Other Government Organizations (OGOs) to adopt either IFRS or the public sector handbook, whichever is considered the most appropriate basis of accounting. CIC believes that IFRS is the most appropriate basis of accounting for all its subsidiaries. Therefore, STC as an OGO is proceeding with the adoption of IFRS.

STC has finalized its IFRS financial statement disclosures and selection of accounting policies. These policies and financial statement disclosures have been reviewed by external auditors and approved by the STC Board of Directors. STC assessed its processes, systems, and internal controls and determined all to be adequate for IFRS implementation.



On behalf of the STC team, Acting Chief Financial Officer Jason Sherwin accepted the Award of Excellence from CICA for the 2009 Annual Report.

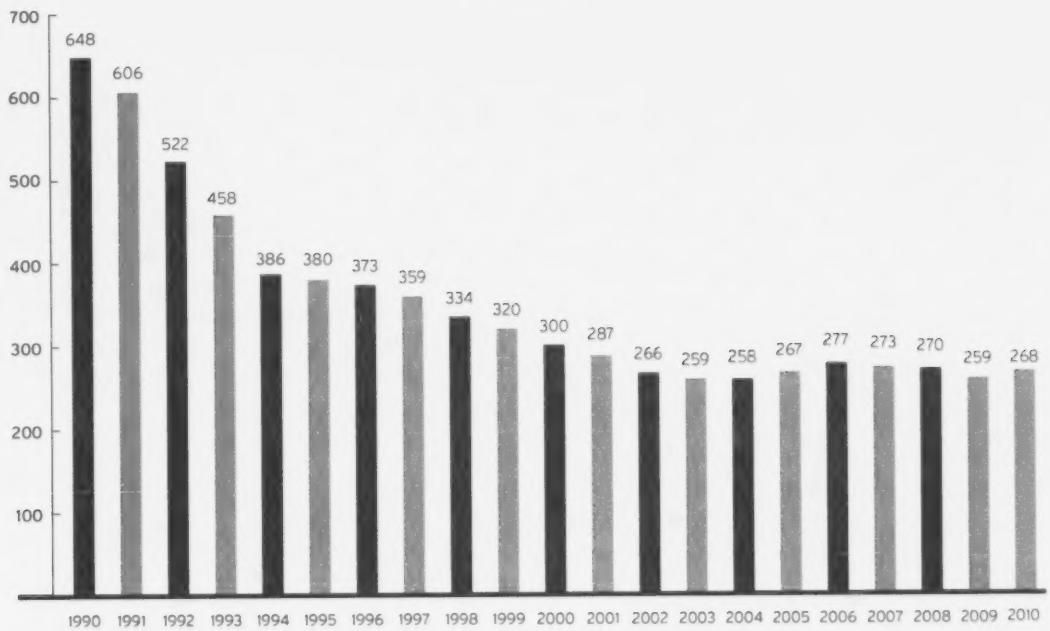
The areas with the most significant differences from Canadian GAAP to IFRS are related to accounting for property and equipment, an accrual for compensated absences and financial statement disclosures. During 2010, STC has maintained IFRS accounting records parallel to Canadian GAAP records to ensure transactions are recorded in accordance with IFRS for comparative reporting purposes for 2011 quarterly and annual reporting.

In 2010, STC continued with a rigorous set of standards for financial controls and reporting for all levels of its organization. As directed by CIC, STC's Chief Executive Officer and Chief Financial Officer are required to certify that these standards have been implemented and the internal controls over financial reporting are operating effectively with no material weaknesses identified. The process of complying with these standards is referred to as CEO/CFO Certification.

Passenger Services

In 2010 ridership was 268,335 representing an increase of 3.8 per cent over 2009. As demonstrated by the following chart, this is the first year-over-year increase in ridership since 2006.

STC Ridership History 1990-2010
(thousands)



The table below offers a snapshot comparison of passenger service financial results.

	2010	2009
Passenger Service Loss Per Mile *(Revenue – Cost = Loss/mile)*	$2.29 /mile *($2.30 - $4.59)*	$2.22 /mile *($2.21 - $4.43)*
Passenger Service Revenue	$7,363,000	$7,033,000
Passenger Service Operating Expense	$14,716,000	$14,104,000

STC launched two specific seat sale campaigns in 2010. In May and September, STC offered a senior seat sale that allowed those 60 years of age and over to travel anywhere on STC's network for a flat $10 one-way fare. In June, July, and August, STC offered youth a $40 unlimited monthly pass. Both of these initiatives were based on campaigns in 2009, but were adjusted to improve results.

2010 campaign results contributed to an improvement of 7.4 per cent in total ridership in May and September over the same months in 2009 and a 3.7 per cent increase in June, July and August over the same period in 2009.

Parcel Express Services

STC route scheduling and frequency are designed primarily to optimize services for the passenger side of the business. STC, however, has some unique strengths with respect to its parcel express service, including its provision of service on weekends and the breadth of its network which is unparalleled by other couriers in our province.

Remote communities rely on STC for many of their deliveries. STC carries water samples to labs in major centres to ensure that communities have access to safe drinking water. Blood supplies are transported by STC to hospitals and clinics across

Saskatchewan. There are numerous other examples of individuals and businesses that utilize STC to ship their packages in a fast and convenient manner. Parcel express services tend to be somewhat seasonal for STC, with increased freight activity generally occurring during farm seeding, harvest, and the winter holiday/Christmas season.

In 2010, STC continued to equip buses with trailers to carry additional freight. This allows the company to increase its freight hauling capacity and revenue-generating capabilities. The base parcel express rates increased by approximately six per cent over the course of 2010. For 2010, revenues from express operations were $7,872,000 compared to $7,600,000 in 2009. Expenses associated with operating express services were $5,701,000 compared to $5,560,000 in 2009. Profits realized from operating this line of business were $2,171,000 compared to $2,040,000 in 2009.

Bus Maintenance Services

STC also provides maintenance and cleaning services for other bus companies, providing revenue streams of $568,000 in 2010, compared to $653,000 in 2009. Expenses associated with such work were $388,000 in 2010 compared to $399,000 in 2009. The drop in numbers was related to STC's difficulty in recruiting qualified mechanics. Existing mechanics' time was prioritized to STC's own fleet maintenance needs. Maintenance service expenditures for STC coaches and fleet were $3,199,000 in 2010, compared to $3,064,000 in 2009.

There were a number of improvements made to the fleet, including completion of the installation of driver protection shields, continued deep cleaning of coaches and increased Wi-Fi service. STC undertook a process improvement review of its maintenance operation which identified opportunities for consideration. These process improvement reviews, sometimes known as "LEAN" reviews, will be continued in 2011.

Property, Plant & Equipment

Capital spending was $2.1 million in 2010 compared to $2.3 million in 2009. This amount of spending is in line with traditional levels.

STC invested in its facilities ($600,000), corporate systems, technology, and other equipment ($600,000), and fleet renewal ($900,000).

Facilities

STC owns and operates passenger and freight terminals in Regina, Saskatoon and Prince Albert. It owns and operates service garages in Regina and Saskatoon. The company owns a passenger and freight terminal in Moose Jaw, and contracts the operation of the facility to an agent. Regular insurance inspections ensure our facilities are maintained in sound structural order.

Prince Albert Terminal

Upgrades were made to the public washroom to offer wheelchair accessibility.

Regina Terminal

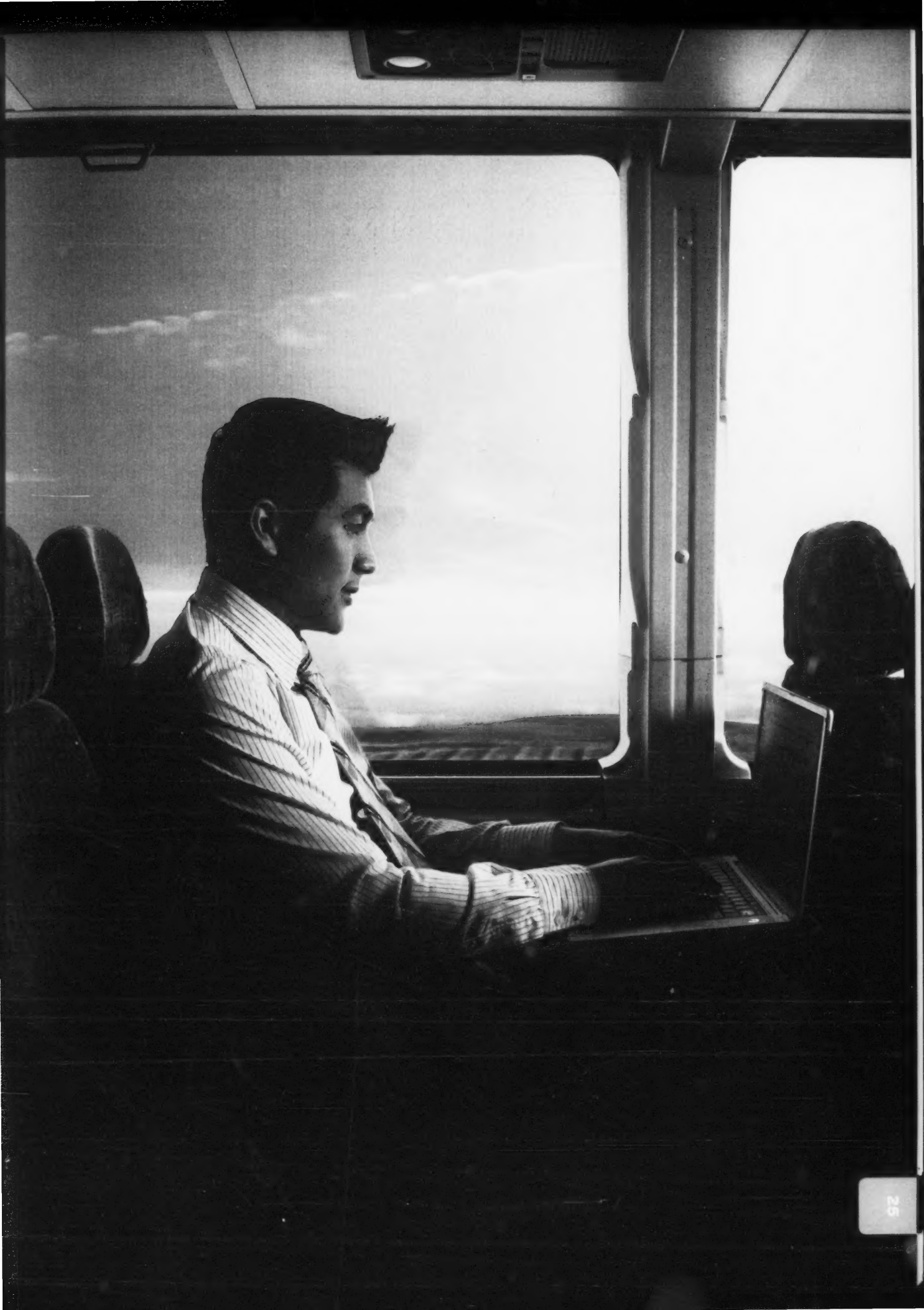
Upgrades were made in the following areas:

- security enhancements were added, such as additional security cameras, card access points, and improved security communication equipment;
- passenger lobby signage displaying the STC logo was added at the north and south ends of the facility; and,
- laptop recharging stations and workspaces were added to aid business travellers.

Saskatoon Terminal

Several express and passenger terminal improvements were completed in 2010:

- environmentally efficient lighting was installed in both the express terminal and passenger terminal to reduce power costs and improve the brightness, appearance, and security of these locations;
- new passenger seating was added to improve passenger comfort;
- renovations to both staff and public restrooms were completed to allow for wheelchair accessibility; and,
- the express parking lot was paved to improve the experience for freight customers.



STC FACILITIES	AGE (yrs)
Moose Jaw*	
- Passenger and Parcel Express Terminal	15
Prince Albert	
- Passenger and Parcel Express Terminal	16
Regina	
- Passenger and Parcel Express Terminal	2
- Service Garage	62
Saskatoon	
- Passenger Terminal	36
- Parcel Express Building	33
- Service Garage	28

**STC owns the property but does not operate it*

Corporate Systems and Technology

STC made further improvements to its environmental footprint by expanding network server virtualization. This expansion will allow STC to grow into the future without expanding its power consumption. STC workstations and monitors were also upgraded to power efficient models.

Improvements were made to STC's network to extend high-speed capabilities to its large shipping customers to provide better service. This expansion also allows STC to improve system data and reliability.

Other improvements were made to customer service through technology. Handheld devices at STC maintenance facilities give staff the ability to monitor and track tire durability; software upgrades to arrival/departure boards helps provide timely information to both customers inside the terminals and those online; and, agency documentation website development will deliver STC agency partners accessible, accurate information while reducing mailing costs.

Fleet and Equipment

The company strives to match its bus fleet to passenger volumes on various routes. Accordingly, our units range in size from 20 to 55-seat coaches. In 2010, STC operated a total of 44 coaches and 27 freight trailers. Twenty-three per cent of STC's coaches are wheelchair-accessible and it is planned to increase this figure to twenty-five per cent in 2011.

In 2010, STC acquired three new small coaches, one new large coach, two new large trailers and two new medium-size trailers. Out of STC's total fleet, 11 are classified as small coaches and 33 are full-sized. All coaches have GPS and surveillance capability, 24 have extended leg room, nine have electrical outlets for passenger use and eight are Wi-Fi capable. These options will become standard on future fleet purchases.

Balanced Scorecard

Management's Responsibility for Reporting on Performance

Management has presented its performance information in the Balanced Scorecard.

The information is, to the best of our ability, reliable (that is, reasonably free of errors or omissions and represents what it claims), consistent (that is, prepared using consistent policies and methods, explains significant variances, and reports results against previously approved targets), and understandable. To provide a better understanding of the information, management has defined the terms and calculations and has disclosed limitations.

Management has the primary responsibility for the integrity and objectivity of the performance information reported in the Balanced Scorecard. To fulfill this responsibility, the company maintains appropriate systems of internal controls and procedures. These systems provide reasonable assurance that information presented is reliable and consistent.

On behalf of the company, on March 31, 2011,

Shawn Grice, President & CEO

STC FACILITIES	AGE (yrs)
Moose Jaw*	
- Passenger and Parcel Express Terminal	15
Prince Albert	
- Passenger and Parcel Express Terminal	16
Regina	
- Passenger and Parcel Express Terminal	2
- Service Garage	62
Saskatoon	
- Passenger Terminal	36
- Parcel Express Building	33
- Service Garage	28

**STC owns the property but does not operate it*

Corporate Systems and Technology

STC made further improvements to its environmental footprint by expanding network server virtualization. This expansion will allow STC to grow into the future without expanding its power consumption. STC workstations and monitors were also upgraded to power efficient models.

Improvements were made to STC's network to extend high-speed capabilities to its large shipping customers to provide better service. This expansion also allows STC to improve system data and reliability.

Other improvements were made to customer service through technology. Handheld devices at STC maintenance facilities give staff the ability to monitor and track tire durability; software upgrades to arrival/departure boards helps provide timely information to both customers inside the terminals and those online; and, agency documentation website development will deliver STC agency partners accessible, accurate information while reducing mailing costs.

Fleet and Equipment

The company strives to match its bus fleet to passenger volumes on various routes. Accordingly, our units range in size from 20 to 55-seat coaches. In 2010, STC operated a total of 44 coaches and 27 freight trailers. Twenty-three per cent of STC's coaches are wheelchair-accessible and it is planned to increase this figure to twenty-five per cent in 2011.

In 2010, STC acquired three new small coaches, one new large coach, two new large trailers and two new medium-size trailers. Out of STC's total fleet, 11 are classified as small coaches and 33 are full-sized. All coaches have GPS and surveillance capability, 24 have extended leg room, nine have electrical outlets for passenger use and eight are Wi-Fi capable. These options will become standard on future fleet purchases.

Balanced Scorecard

Management's Responsibility for Reporting on Performance

Management has presented its performance information in the Balanced Scorecard.

The information is, to the best of our ability, reliable (that is, reasonably free of errors or omissions and represents what it claims), consistent (that is, prepared using consistent policies and methods, explains significant variances, and reports results against previously approved targets), and understandable. To provide a better understanding of the information, management has defined the terms and calculations and has disclosed limitations.

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On behalf of the company, on March 31, 2011,

Shawn Grice, President & CEO

Scorecard Discussion

Saskatchewan Transportation Company's Balanced Scorecard holds the company accountable to the public. It contains objectives, measures and targets which were created based on the strategic direction provided by STC's Board of Directors, as well as the overall strategic direction of Crown Investments Corporation (CIC).

Following the Saskatchewan Provincial Auditor's audit of this balanced scorecard in 2006, as well as feedback received from CIC, our measures and reporting have changed over the past few years and will continuously evolve to improve alignment with the company's strategic plan, demonstrate STC's contribution to the priorities of the Crown sector and improve clarity in the reporting of the results.

Discussion of 2010 Results

Customer

- 92 per cent of passengers who voluntarily responded to our passenger survey rated our services as "good" or "excellent", a one per cent increase from 2009.
- At December 31, 2010, STC's average passenger fare was $30.35, 1.7 per cent below the western Canadian average fare of $30.90. STC implemented a passenger fare increase of 4.5 per cent in 2010.
- STC owned and operated 44 coaches, 10 of which were equipped for wheelchair accessibility.

Public Policy

- STC is proud to support Saskatchewan's economy, procuring 87.1 per cent of its goods and services from Saskatchewan businesses. In total, $11.3 million was spent in Saskatchewan (excluding wages and benefits).
- Passenger awareness that bus transportation is environmentally friendly increased by 2.1 per cent to 94.3 per cent, compared to 92.2 per cent as reported in the previous year.
- All coaches refueling in Saskatoon and Regina operated on a two per cent canola biodiesel blend utilizing 98 per cent Saskatchewan grown canola.

Financial

- While STC requires grants from CIC to fulfill its public policy role, it measures its financial success by setting efficiency targets ("passenger services loss per mile" and "operating cash loss as a percentage of expenditures") and by implementing expenditure controls to meet those targets. In 2010, expenditures were significantly lower than budget due to savings on fuel and wages. This, combined with slightly better revenues, allowed STC to perform better than targeted.
- STC was in full compliance with best practices of corporate governance as defined by the Canadian Securities Administrators (CSA). Please see the Corporate Governance section of the Annual Report for details.

People

- STC's objective is to be an employer of choice and conducts annual employee surveys to better achieve that goal. While the employee survey result of 63.8 per cent is slightly below target, employee satisfaction results continue to remain strong and reflect STC's commitment to providing a positive work environment for its employees.
- In 2010, 183 employees received training, including first aid, self-defense and program re-certification. Results were slightly above target, reflecting the company's renewed commitment to staff training over the last several years.

- STC continues to make progress toward achieving a representative workforce. For 2011, STC has realigned its workforce diversity targets to reflect the Saskatchewan Human Rights Commission's (SHRC) 2010 Goals for a Representative Workforce. Although STC's 2010 year end results exceed the 2011 targets in two areas, STC remains committed to growing our representation in all target areas.

Innovation

- At year end, STC reported a total of 227 partnerships and agreements, including agents, food service providers, locker rental and taxi companies, express interline carriers, and others.
- The 9,801 or 3.8 per cent increase in ridership from 2009 reflects the results of the seniors' seat sale and youth pass promotions in 2010, in addition to the positive effects of advertising campaigns and enhanced amenities.

CUSTOMER	We Meet the Needs of Our Customers					
	Objective	Measures		2010 Target	2010 Actual	2011 Target
	Customers are satisfied with the service they receive	M1	Passenger survey satisfaction rating	87%	92.4%	92%
	Fares and discounts are competitive and satisfactory to our customers	M2	Fares are at or near the western Canadian average	- 1% to +4%	-1.7%	- 1% to +4%
	Routes serve a significant portion of Saskatchewan	M3	Number of communities served	290	290	290
	A portion of our passenger bus fleet is equipped for wheelchair accessibility	M4	Percentage of fleet that is wheelchair accessible	23%	22.7%	25%

PUBLIC POLICY	We Are Good Corporate Citizens					
	Objective	Measures		2010 Target	2010 Actual	2011 Target
	Support development of the Saskatchewan economy	M5	Percentage of total expenditures made in Saskatchewan	84%	87.1%	N/A
	Support building our future by protecting our environment	M6	Percentage of STC buses fueling in Regina and Saskatoon with a 2% biodiesel blend	100%	100%	100%
		M7	Percentage of passengers aware that bus transportation is environmentally friendly	92%	94.3%	93%

FINANCIAL

We Are a Fiscally Responsible and Accountable Corporation

Objective		Measures	2010 Target	2010 Actual	2011 Target
Cash loss is as low as possible	M8	Operating cash loss as a percentage of overall expenditures	35.8%	32.9%	35.0%
Operating costs are as low as possible	M9	Passenger services loss per mile	$2.39	$2.29	$2.55
Meet or exceed all Board of Director governance requirements	M10	"Best Practices" for Board governance	Full Compliance	Full Compliance	Full Compliance

PEOPLE

We Are a High-Quality Employer

Objective		Measures	2010 Target	2010 Actual	2011 Target
Employer of choice in Saskatchewan	M11	Employee satisfaction survey rating	68%	63.8%	65%
We promote safety and career enhancement training for our employees	M12	Number of safety, technical and professional development training opportunities attended	100	183	100
Support development of a representative workforce in Saskatchewan	M13	Percentage of employees from target groups in overall workforce			
		Women in Under-represented Occupations	13%	15.7%	16%
		Aboriginal	15%	13.5%	13.1%
		Visible Minority	4.5%	3.9%	3.8%
		Persons with Disabilities	11%	3.9%	9.7%

INNOVATION

We Are Improving & Innovating

Objective		Measures	2010 Target	2010 Actual	2011 Target
Grow our business operations with other private entities	M14	Total agreements and partnerships	228	227	228
Build our customer base and promote the Corporation	M15	Percentage growth in passenger numbers	1.0%	3.8%	1.0%
Assist Saskatchewan to "go green"	M16	New environmental initiatives undertaken	2	3	2

Explanation of Measurement Terms

2010 Balanced Scorecard

We Meet the Needs of Our Customers

M1 **Passenger Survey Satisfaction Rating** is the overall satisfaction level of our bus-riding (passenger) customers. This information is obtained through a semi-annual, voluntary, passenger sample survey. It represents the total percentage of respondents who rate their overall satisfaction with the services provided by STC as "good" or "excellent".

M2 **Fares are at or Near the Western Canadian Average** and are set within a range of one per cent below the Western Canadian average (WCA) to four per cent above the average. The WCA is determined by the rates charged at the end of each quarter by Greyhound Canada in Saskatchewan, Manitoba, Alberta and British Columbia.

M3 **Number of Communities Served** is all communities with at least one of the following: a flag-stop, scheduled passenger service and/or freight only service.

M4 **Percentage of Fleet that is Wheelchair Accessible** includes the percentage of total motor coaches owned by STC that have built-in chair lifts.

We are a Good Corporate Citizen

M5 **Percentage of Total Expenditures Made in Saskatchewan** includes all monies paid to Saskatchewan vendors through STC's accounts payable system as at the last day of the quarter. It includes agency commissions and corporate pension remittances.

M6 **Percentage of STC Buses Fueling in Regina and Saskatoon with a Two Per Cent Biodiesel Blend** is 100 per cent. Calculation applies only to diesel powered vehicles.

M7 **Percentage of Passengers Aware that Bus Transportation is Environmentally Friendly**. This information is obtained through semi-annual, voluntary passenger sample surveys and represents the total percentage of respondents who rate riding the bus as environmentally friendly.

We are a Fiscally Responsible and Accountable Corporation

M8 **Operating Cash Loss as a Percentage of Overall Expenditures** is kept as low as possible. The percentage is calculated as the operating cash loss divided by the total expenses (excluding amortization) for the year.

M9 **Passenger Services Loss Per Mile** is the difference between the passenger expense and revenue per mile. Revenue per mile is calculated as the total passenger revenues, divided by the total scheduled miles and service miles. Passenger expense per mile is calculated as the total passenger expenses divided by the total scheduled miles and service miles.

M10 **"Best Practices" for Board Governance** is measured by either meeting or exceeding all corporate governance requirements as set forth by the Canadian Securities Administrators (CSA) National Policy 58-201 Corporate Governance Guidelines and National Instrument 58-101 Disclosure of Corporate Governance Practices. These CSA guidelines outline national governance requirements for publicly traded companies and address areas of responsibility for effective corporate governance. While STC is not a publicly traded company, its practices are benchmarked against these current industry best practices each year.

FINANCIAL

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M13 **Percentage of Employees from Target Groups in the Overall Workforce** includes employees of Aboriginal ancestry, visible minorities, disabled employees and women in under-represented occupations. These numbers represent the percentage of employees from each target group in the overall STC workforce (excluding casual employees) as of the last day of each quarter.

We are Improving and Innovating

M14 **Total Agreements and Partnerships** with private sector entities is summed and reported at the last day of the quarter. The total includes the total number of operating STC agents, interline carriers, contract carriers and pickup and delivery service operators. It also includes other partnerships and agreements that meet specified criteria to be included in the reported results.

M15 **Percentage Growth in Passenger Numbers** is the percentage growth in ridership on scheduled routes year-over-year.

M16 **New Environmental Initiatives Undertaken** represents STC's strengthened strategic focus on the environment. It may include new promotions, partnerships, community support initiatives and workplace/asset enhancements.

Financial Results

Saskatchewan Transportation Company

December 31, 2010

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Financial Results

Saskatchewan Transportation Company

December 31, 2010

Management's Responsibility for Financial Reporting

Management has prepared the financial statements of the Company in accordance with Canadian generally accepted accounting principles. The financial data included elsewhere in this report is consistent with the financial statements and the underlying information from which the Company prepared these financial statements.

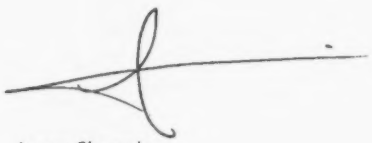
Management has the primary responsibility for the integrity and objectivity of the financial statements. To fulfill this responsibility, the Company maintains appropriate systems of internal controls, policies and procedures. These systems provide reasonable assurance that assets are safeguarded and that the books and records reflect the authorized transactions of the Company.

Meyers Norris Penny LLP, the Company's external auditors, have examined the December 31, 2010 financial statements, and their report follows.

The Board of Directors of Saskatchewan Transportation Company has examined and approved the statements.

On behalf of the Company,

Shawn Grice
President and CEO



Jason Sherwin
Acting CFO

February 25, 2011

Annual Statement of Management Responsibility

I, Shawn Grice, the President and Chief Executive Officer of the Saskatchewan Transportation Company, and I, Jason Sherwin, the Acting Chief Financial Officer of the Saskatchewan Transportation Company, certify the following:

a. That we have reviewed the financial statements included in the Annual Report of the Saskatchewan Transportation Company. Based on our knowledge, having exercised reasonable diligence, the financial statements included in the Annual Report, fairly present, in all material respects the financial condition, results of operations, and cash flows, as of December 31, 2010.

b. That based on our knowledge, having exercised reasonable diligence, the financial statements included in the Annual Report of the Saskatchewan Transportation Company do not contain any untrue statements of material fact, or omit to state a material fact that is either required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made.

c. That the Saskatchewan Transportation Company is responsible for establishing and maintaining effective internal controls over financial reporting, which includes safeguarding of assets and compliance with applicable legislative authorities; and the Saskatchewan Transportation Company has designed internal controls over financial reporting that are appropriate to the circumstances of the Saskatchewan Transportation Company.

d. That the Saskatchewan Transportation Company conducted its assessment of the effectiveness of the corporation's internal controls over financial reporting and, based on the results of this assessment, the Saskatchewan Transportation Company can provide reasonable assurance that internal controls over financial reporting as of December 31, 2010 were operating effectively and no material weaknesses were found in the design or operation of the internal controls over financial reporting.

Shawn Grice
President and CEO

Jason Sherwin
Acting CFO

February 25, 2011

Independent Auditors' Report

MEYERS NORRIS PENNY

To the Members of the Legislative Assembly
Province of Saskatchewan

We have audited the accompanying financial statements of Saskatchewan Transportation Company, which comprise the statement of financial position as at December 31, 2010, and the statement of operations and comprehensive income (loss), statement of retained earnings and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Transportation Company as at December 31, 2010 and its financial performance and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Meyers Norris Penny LLP

Regina, Saskatchewan
February 25, 2011

Chartered Accountants

50 BEST EMPLOYERS IN CANADA 2010 REPORT ON BUSINESS

Praxity MEMBER GLOBAL ALLIANCE OF INDEPENDENT FIRMS

CHARTERED ACCOUNTANTS & BUSINESS ADVISORS
ROYAL BANK BUILDING, SUITE 900, 2010 - 11TH AVE., REGINA, SK S4P 0J3
1-877-500-0780 PH. (306) 790-7900 FAX (306) 790-7990 mnp.ca

Saskatchewan Transportation Company

Statement of Financial Position

As at December 31

	2010	2009
	(Thousands of dollars)	
ASSETS		
Current		
Cash	$ 1,119	$ 1,474
Accounts receivable	1,454	1,402
Inventories	377	393
Prepaid expenses	466	508
	3,416	3,777
Property, plant and equipment *[note 6]*	39,238	40,193
	$ 42,654	$ 43,970
LIABILITIES AND PROVINCE'S EQUITY		
Current		
Accounts payable and accrued liabilities	$ 2,872	$ 2,575
Demand operating loan *[note 7]*	-	150
	2,872	2,725
Deferred capital grant *[note 8]*	30,590	32,142
Province of Saskatchewan's Equity		
Contributed surplus *[note 12]*	465	465
Retained earnings	8,727	8,638
	9,192	9,103
	$ 42,654	$ 43,970

See accompanying notes

On behalf of the Board:

Wayne Lorch
Director

Jonathon Abrametz
Director

Independent Auditors' Report

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Meyers Norris Penny LLP

Regina, Saskatchewan
February 25, 2011

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Saskatchewan Transportation Company

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	$ 42,654	$ 43,970

See accompanying notes

On behalf of the Board:

Wayne Lorch
Director

Jonathon Abrametz
Director

Saskatchewan Transportation Company

Statement of Operations and Comprehensive Income (Loss)

Year Ended December 31

	2010	2009
	(Thousands of dollars)	
REVENUE		
Express services	$ 7,872	$ 7,600
Passenger services	7,363	7,033
Other revenues	1,032	1,042
(Loss) gain on disposal of property, plant and equipment	(48)	28
	16,219	15,703
EXPENSES		
Operating	20,805	20,064
Administration	3,454	3,621
Amortization	2,723	2,628
	26,982	26,313
Loss before the following	(10,763)	(10,610)
Operating grant *[note 9]*	8,400	7,800
Capital grant *[note 8]*	2,452	2,023
Net income (loss)	89	(787)
Other comprehensive income (loss)	-	-
Comprehensive income (loss)	$ 89	$ (787)

Statement of Retained Earnings

Year Ended December 31

	2010	2009
	(Thousands of dollars)	
Retained earnings, beginning of year	$ 8,638	$ 9,425
Net income (loss)	89	(787)
Retained earnings, end of year	$ 8,727	$ 8,638

See accompanying notes

Saskatchewan Transportation Company

Statement of Cash Flows

Year Ended December 31

	2010	2009
	(Thousands of dollars)	
OPERATING ACTIVITIES		
Net income (loss)	$ 89	$ (787)
Items not involving cash:		
Amortization	2,723	2,628
Loss (gain) on disposal of property, plant and equipment	48	(28)
Recognition of capital grant	(2,452)	(2,023)
Net change in non-cash working capital *[note 11]*	284	(103)
Cash provided by (used in) operating activities	692	(313)
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(2,094)	(2,322)
Net change in accounts payable and accrued liabilities related to investing activities	19	(569)
Proceeds on disposal of property, plant and equipment	278	52
Cash used in investing activities	(1,797)	(2,839)
FINANCING ACTIVITIES		
Capital grant received	900	1,800
Demand operating Loan	(150)	150
Cash provided by financing activities	750	1,950
Decrease in cash	(355)	(1,202)
Cash, beginning of year	1,474	2,676
Cash, end of year	$ 1,119	$ 1,474

See accompanying notes

SASKATCHEWAN TRANSPORTATION COMPANY

Notes to Financial Statements

December 31, 2010

1. STATUS OF THE COMPANY

The Saskatchewan Transportation Company [STC, the Company] was originally established in 1946 by Order in Council #168 to act as a common carrier providing passenger service transportation, parcel express and freight services. STC's powers, duties and conditions were affirmed in 1993 by Order in Council #5. STC is continued under *The Crown Corporations Act, 1993.*

The financial results of STC are included in the consolidated financial statements of Crown Investments Corporation of Saskatchewan [CIC].

STC is a Provincial Crown Corporation and therefore not subject to Federal or Provincial income taxes in Canada.

STC's passenger rates are subject to rate regulation by the Motor Carrier Committee of the Saskatchewan Highway Traffic Board, which is a related party. The committee reviews applications for operating authority certificates under the *Traffic Safety Act*, and fixes rates and conditions of carriage for holders of these certificates or licenses of authority. STC holds operating authority on the routes it operates but must seek approval for passenger rate changes from the Motor Carrier Committee.

2. OPERATIONS AND FINANCING

As a matter of public policy, STC will continue to provide bus passenger and express service to the communities of Saskatchewan. The Company will ensure that its commitment to servicing the province is kept uppermost in all of its planning. As a result of the public policy rationale for the operation of certain non-commercial routes, STC continues to be dependent upon CIC for its funding.

By way of Order in Council #4/2010 STC was authorized to obtain grant funding up to $9.9 million [2009 - $9.6 million, Order in Council #86/2009] in total for both capital and operating purposes. During the year, STC requested and received $9.3 million of the $9.9 million authorized [2009- $9.6 million of the $9.6 million authorized].

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles. The significant policies are as follows:

Inventories

Inventories of vehicle parts and supplies are stated at the lower of cost and net realizable value and are costed using the first-in, first-out (FIFO) method.

Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated amortization. Assets held for sale are segregated and no longer amortized and are recorded at carrying amounts that approximates fair value. Expenditures for betterments, such as major refurbishment and structural repairs, are capitalized. Normal maintenance such as engine and drive train repairs, mechanical repairs and preventative maintenance are expensed as incurred.

Operating Grant Revenue

Operating grants from CIC are recognized as revenue when received.

Capital Grant Revenue

Capital Grants related to depreciable property are deferred as received and are recognized as revenue over the life of the asset. The Company recognizes a portion of the capital grant as revenue each year equivalent to the amount of amortization recognized on the assets acquired with the grant funds.

Capital grants related to the acquisition of land and related costs are recognized as a direct increase in retained earnings.

Revenue Recognition

Passenger and freight transportation revenue is generally recognized upon the completion of service. Interline passenger and freight transportation service is treated as being complete when the passenger or parcel is turned over to the connecting carrier.

Other revenues, including charter, space leasing, bus advertising, vending and maintenance are recognized when earned.

Amortization

Amortization is charged to income from the date assets are put into service and is recorded on the straight-line basis at rates designed to amortize the cost of property, plant and equipment over their estimated useful lives after considering salvage values.

Estimated useful lives are as follows:

Buildings	10 to 40 years
Vehicles	5 to 15 years
Other equipment	3 to 10 years

Management Estimates

The preparation of financial statements in conformity with Canadian Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of property, plant and equipment. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

Long-lived assets

The Company performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the asset's carrying amount. Impairment is measured as the amount by which the asset's carrying value exceeds its fair value. Any impairment is included in net loss for the year. The amount of loss recorded is determined by deducting the asset's fair value (based on discounted cash flows from its use and disposition) from its carrying value.

Financial Instruments

STC classifies its financial instruments into one of the following categories: held-for-trading; loans and receivables; and other financial liabilities.

All financial instruments are measured at fair value upon initial recognition. Transaction costs are included in the initial carrying amount of financial instruments except for held-for-trading instruments in which case the transaction costs are expensed as incurred. Measurement in subsequent periods depends on the classification of the financial instrument.

Financial assets and liabilities classified held-for-trading are subsequently measured at fair value with changes in fair value recognized in net income. Financial instruments classified as loans and receivables or other financial liabilities are measured at amortized cost using the effective interest rate method.

International Financial Reporting Standards (IFRS)

The Canadian Accounting Standards Board has confirmed that publicly accountable enterprises will be required to adopt IFRS in place of Canadian Generally Accepted Accounting Principles (Canadian GAAP) for interim and annual reporting in fiscal years beginning on or after January 1, 2011, including comparative figures for the prior year. The Public Sector Accounting Board (PSAB) in September 2009, approved an amendment to the introduction to the Public Sector Accounting Handbook, which requires Government Business Enterprises (GBEs) to adopt IFRS and Other Government Organizations (OGOs) to adopt either IFRS or the public sector handbook, whichever is considered the most appropriate basis of accounting. CIC believes that IFRS is the most appropriate basis of accounting for all its subsidiaries and therefore the Saskatchewan Transportation Company (STC) as an OGO is proceeding with the adoption of IFRS.

STC has finalized its IFRS financial statement disclosures and selection of accounting policies. These policies and financial statement disclosures have been reviewed by the external auditors and approved by the STC Board of Directors. STC assessed its processes, systems and internal controls and determined all to be adequate for IFRS implementation. The areas with the most significant differences from Canadian GAAP to IFRS are related to accounting for property and equipment, an accrual for compensated absences and financial statement disclosures. During 2010, STC has maintained IFRS accounting records parallel to Canadian GAAP records to ensure transactions are recorded in accordance with IFRS for comparative reporting purposes for 2011 quarterly and annual reporting.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value

The Company as part of its operations carries a number of financial instruments which includes cash, accounts receivable, accounts payable and accrued liabilities and demand operating loan. The carrying amount of STC's financial instruments approximates their fair value due to the short term maturities of these items.

The following summarizes the classification, carrying amounts and fair values of the Company's financial instruments:

	Classification	Level	2010 Carrying amount	2010 Fair value	2009 Carrying amount	2009 Fair value
			(Thousands of dollars)			
Cash	HFT	1	$ 1,119	$ 1,119	$ 1,474	$ 1,474
Accounts receivable	L&R	N/A	1,454	1,454	1,402	1,402
Accounts payable and accrued liabilities	OL	N/A	2,872	2,872	2,575	2,575
Demand operating loan	HFT	1	-	-	150	150

Classification details are:
HFT – held-for-trading
L&R – loans and receivables
OL – other financial liabilities

Fair Value Hierarchy

Generally Accepted Accounting Principles requires fair value measurements to be categorized into levels within a fair value hierarchy based on the nature of inputs used in the valuation.

Level 1 – Quoted prices are readily available from an active market.

Level 2 – Inputs, other than quoted prices included in level 1, that are observable either directly or indirectly.

Level 3 – Inputs are not based on observable market date.

The Company's financial instruments (other than Cash) have not been classified in the fair value hierarchy given that carrying value approximates fair value due to their immediate or short-term maturity.

Credit Risk

Credit risk refers to the possibility that a customer will fail to meet its contractual obligations. The Company extends credit to its customers in the normal course of business and is exposed to credit risk in the event of non-performance by customers, but does not anticipate such non-performance. The carrying amounts for accounts receivable are net of applicable allowances for doubtful accounts, which are estimated based on past experience, specific risks identified with the customer and other relevant information. STC monitors the credit risk and credit rating of customers on a regular basis. The maximum credit risk is $1.45 million (2009 - $1.40 million), the fair value of the accounts.

The following table sets out details of the age of receivables and allowance for doubtful accounts:

	2010	2009
	(Thousands of dollars)	
Gross accounts receivable:		
Current	$ 1,009	$ 805
Up to three months past due date	532	555
Greater than three months past due date	78	212
Allowance for doubtful accounts	(165)	(170)
	$ 1,454	$ 1,402

5. CAPITAL MANAGEMENT

STC's objective when managing its capital structure is to ensure adequate funding exists to support the operations and growth strategies for the Company.

STC obtains its funding from CIC by way of operating and capital grants authorized by Orders In Council. Throughout the year, operating and capital grant draws are made as necessary based on cash flow forecasts. STC also has an available line of credit of $500 thousand at the CIBC Bank that it can draw upon.

STC's capital structure consists of equity, primarily in the form of retained earnings. STC does not have any long term debt.

STC's capital structure is as follows:

	2010	2009
	(Thousands of dollars)	
Contributed surplus	$ 465	$ 465
Retained earnings	8,727	8,638
	$ 9,192	**$ 9,103**

The Company monitors and assesses its financial performance against its plans in order to ensure that it is continuing its commitment to serve the province by providing bus passenger and express service to the communities of Saskatchewan. STC achieves this by adhering to its balanced scorecard objectives, measures, and targets that have been approved by the STC Board of Directors and CIC.

6. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated Amortization	2010 Net Book Value	2009 Net Book Value
			(Thousands of dollars)	
Land	$ 4,654	$ -	$ 4,654	$ 4,654
Buildings	33,623	8,025	25,598	25,882
Vehicles	15,512	8,455	7,057	7,548
Other equipment	7,492	5,563	1,929	2,109
	$ 61,281	**$ 22,043**	**$ 39,238**	**$ 40,193**

7. DEMAND OPERATING LOAN

The demand operating loan is unsecured, repayable on demand, and bears interest at Prime.

8. CAPITAL GRANT

Order in Council #4/2010 authorized STC to obtain grant funding up to $0.9 million for capital requirements. During the year, STC obtained $0.9 million [2009-$1.8 million, Order in Council #86/2009] from CIC.

Deferred capital grant consists of the following:

	2010	2009
	(Thousands of dollars)	
Deferred capital grant, beginning of year	$ 32,142	$ 32,365
Capital grant received	900	1,800
Capital grant revenue recognized	(2,452)	(2,023)
	$ 30,590	**$ 32,142**

9. OPERATING GRANT

Order in Council #4/2010 authorized STC to obtain grant funding up to $9.0 million for operating requirements in 2010. During the year, STC obtained $8.4 million [2009 - $7.8 million, Order in Council #86/2009] from CIC.

10. PENSION PLANS

The Company participates in two pension plans. One is a defined benefit plan established pursuant to the *Public Service Superannuation Act* and administered by the Public Employees Benefits Agency. STC's contributions to this plan which were expensed during 2010 were $8 thousand [2009 - $12 thousand]. The other is the Capital Pension Plan which is a defined contribution plan sponsored by CIC. STC's contributions to this plan which were expensed in 2010 were $765 thousand [2009 - $750 thousand]. All eligible employees hired after September 1, 1980 are participants in the defined contribution plan.

The Company's financial obligation to each plan is limited to making regular payments to match the amounts contributed by the employees for current service.

11. NET CHANGE IN NON-CASH WORKING CAPITAL

	2010	2009
	(Thousands of dollars)	
Decrease (increase) in:		
Accounts receivable	$ (52)	$ 158
Inventories	16	(10)
Prepaid expenses	42	(71)
	$ 6	**$ 77**
Increase (decrease) in:		
Accounts payable and accrued liabilities related to operating activities	$ 278	$ (180)
	$ 284	**$ (103)**

12. RELATED PARTY TRANSACTIONS

Included in these financial statements are transactions with various Saskatchewan Crown Corporations, ministries, agencies and boards and commissions related to STC by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. These transactions, and amounts outstanding at year end, are as follows:

	2010	2009
	(Thousands of dollars)	
Accounts receivable	$ 157	$ 159
Accounts payable	78	85
Express services revenues	719	700
Other revenues	291	402
Passenger services revenues	261	225
Operating and administration expenses	1,684	1,738
Equipment purchases capitalized	-	10

On October 15, 2008, STC sold its former Regina head office building and land to SaskPower, a Saskatchewan Crown Corporation. The sale was recorded as a related party transaction and as such, the excess of consideration received over the net book value of the property was credited to contributed surplus [$465 thousand].

STC also pays Saskatchewan Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other transactions and amounts due to and from related parties and the terms of settlement are described separately in these financial statements and the notes thereto.

Corporate Governance

Authority

Established in 1946, the Saskatchewan Transportation Company (STC; the Corporation) is a Crown Corporation of the province of Saskatchewan. STC is subject to *The Crown Corporations Act, 1993,* which provides the Crown Investments Corporation (CIC) of Saskatchewan, the holding company for Saskatchewan's Crown Corporations, the authority to establish the direction of the Corporation.

Board of Directors

Role of the Board

The primary function of the STC Board of Directors (Board) is to represent the shareholder as stewards of the Corporation. The Board has a statutory authority and obligation to oversee the affairs and business of the Corporation. The Board oversees Executive Officers, who are responsible for day-to-day operations, and through the Chief Executive Officer (CEO), sets the standards of organizational conduct and performance.

The CEO leads the development and implementation of strategic initiatives, policies, operating and capital budgets, makes recommendations and implements Board-approved initiatives, liaises with the Minister acting on behalf of the Province and shareholder, and manages the day-to-day business. The Minister Responsible for STC and Cabinet are tasked to communicate broad objectives for the Corporation and empower the Board to oversee the business of the Corporation.

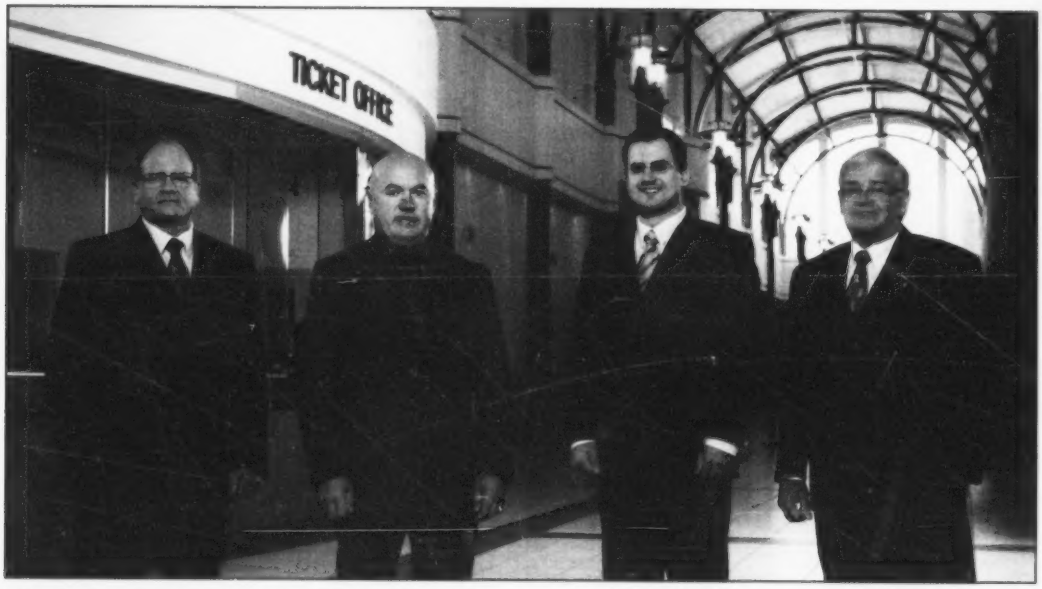
The Board has its own Terms of Reference, along with responsibilities laid out in accordance with industries' "best practices" for corporate governance, as developed by the Canadian Securities Administrators.

Board Composition

The STC Board consists of independent directors who are appointed for a set term by the Lieutenant Governor in Council. The Lieutenant Governor in Council also designates the Chair and Vice Chair of the Board. In 2010, the composition of the board was as follows:

Wayne Lorch Regina-based owner/President of Performance Marine (recipient of numerous customer service awards) and P.W. Lorch & Associates Ltd., an investment company and developer of Saskatchewan resort and commercial properties. 50 years of business experience in retail, manufacturing, Crown sector, international trade and investment, former Assistant Deputy Minister of Saskatchewan Economic Development and Trade, as well as a two-year posting as Director of Economic Development and Trade at the Office of Saskatchewan's Agent General in London, England. Past President/multiple Paul Harris Fellow Regina Rotary Club, Past Director Regina and Saskatchewan Chambers of Commerce, founding committee member of the Western Canada Farm Progress Show and founding Director of the Saskatchewan Trade and Export Partnership (STEP). Supporter and sponsor of numerous community causes and events, including the annual Regina Dragon Boat Festival, hospital Mother-Baby Care Project, the Canadian Progress Club Regina Centre's annual Charity Auction and Plywood Cup. Featured in 2009 Saskatchewan publication *Birth of a Boom: Lives & Legacies of Saskatchewan Entrepreneurs.*	› **Board Chair** › **Audit and Finance Committee Member**

Deb Schmidt Yorkton-based realtor (Royal LePage). Previous board experience includes Painted Hand Community Development Corporation, Parkland Victim Services, and SaskPower. Past and present involvement with numerous business and educational organizations. Founded "Coats for Kids" program (chair), providing disadvantaged children and families in the Parkland region with warm clothing. Has received numerous awards and accolades for business achievement and community involvement. Acknowledged in Saskatchewan Business Magazine as one of Saskatchewan's 10 most influential business women in 2005.	› **Governance and Corporate Responsibility Chair**
Jonathan Abrametz Saskatoon-based trial lawyer (kmp Law) specializing in no-fault and tort auto injury claims, real estate investment and transactions, and impaired driving and drug offences. Involved in many charitable and community organizations, and presents educational seminars to other lawyers. Editor of the Saskatchewan Bar Admission course materials on criminal law.	› **Audit and Finance Committee Chair**
John Breakey Estevan-based oil and farm entrepreneur. Sixteen years as owner/manager of Watson Land Services, a full-service land brokerage serving the oil and gas industries in Saskatchewan and Manitoba. Shareholder and operator in a large grain and custom farm operation. Owner and manager of three other family corporations involved in oil and land operations. Past experience as a financial fieldman with Farm Debt Review Board. Regular participant in fundraising events for local organizations such as the Estevan Art Gallery and minor sports.	› **Audit and Finance Committee Member** › **Governance and Corporate Responsibility Committee Member**
Walter Dutchak North Battleford-based business owner (founder and owner of WPD Ambulance). Resigned effective May 6, 2010.	› **Governance and Corporate Responsibility Committee Member**
Mervin Massier Saskatoon-based consultant. Banking/financial background includes senior positions with Concentra Financial Corporate Banking, Barclays Bank of Canada, and Northland Bank. Current/past membership with the Saskatoon Chamber of Commerce, Saskatchewan Chamber of Commerce, Prairie Implement Manufacturer's Association, the North Saskatoon Business Association and Treasury Management Association of Canada.	› **Audit and Finance Committee Member** › **Governance and Corporate Responsibility Committee Member**
Bill Missal Lang-area farmer, retired. Past experience as a driver educator (Prairie View School District) as well as traffic safety representative (SGI) and traffic safety co-ordinator and director (Saskatchewan Safety Council). Assists with management and operation of a Regina retirement home. Current member of the Highway Traffic Board.	› **Governance and Corporate Responsibility Committee Member**
COMPENSATION	
Directors are paid an annual retainer and per diems: › The Board Chair receives an annual retainer of $10,000 and a $600 meeting fee. › Board members receive an annual retainer of $7,000 and a $500 meeting fee. › Committee Chairs receive a $550 Committee Chair meeting fee.	



Left to Right the members are: Bill Missal, John Breakey, Jonathan Abrametz, and Wayne Lorch. Missing are Deb Schmidt, Mervin Massier, and Walter Dutchak.

Board Committees

To assist the Board in fulfilling its obligations and meeting its responsibilities, the Board has statutory authority to establish any committees it considers necessary for the efficient conduct of the Corporation's business affairs and to prescribe duties to any committee it appoints. Each committee has its own Terms of Reference, outlining its authority and its areas of responsibility. Delegation of responsibility by the Board to a committee does not absolve the full Board from responsibility for a committee's work or decisions. The Board Chair is ex-officio on all Board Committees and may attend any meeting as appropriate.

The following committees acted in an advisory capacity to the Board of Directors in 2010.

Audit and Finance
Chair: Jonathan Abrametz
Committee Members: John Breakey, Wayne Lorch, Mervin Massier

Appointed annually by resolution of the Board, the Audit and Finance Committee assists the Board in fulfilling its obligations and responsibilities for:

- overseeing the overall financial management of STC to ensure the integrity of internal financial controls and reporting processes;
- overseeing the provision of relevant and timely financial information to the Board;
- the appointment of the external auditor; and,
- ensuring appropriate follow-up of audit results.

Governance and Corporate Responsibility
Chair: Deb Schmidt
Committee Members: Bill Missal, Walter Dutchak, John Breakey, Mervin Massier

Appointed annually by resolution of the Board, the Governance and Corporate Responsibility Committee assists the Board in fulfilling its obligations and responsibilities for:

- developing and recommending best corporate governance practices and the annual strategic planning processes;
- overseeing human resource strategies, programs and practices;
- keeping current with developments and emerging best practices in corporate governance;
- ensuring the Corporation is proactive in addressing safety, health and environment issues and is in compliance with all statutory requirements;
- identifying and recommending competent, skilled candidates for appointment to the Board;
- reviewing the Board's Committee Terms of Reference and the skills matrix required for Board complement;
- managing evaluations of the Board, Committees, Chair and Director performance; and,
- providing oversight to the Corporation's code of conduct and ethics.

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Walter Dutchak North Battleford-based business owner (founder and owner of WPD Ambulance). Resigned effective May 6, 2010.	› **Governance and Corporate Responsibility Committee Member**
Mervin Massier Saskatoon-based consultant. Banking/financial background includes senior positions with Concentra Financial Corporate Banking, Barclays Bank of Canada, and Northland Bank. Current/past membership with the Saskatoon Chamber of Commerce, Saskatchewan Chamber of Commerce, Prairie Implement Manufacturer's Association, the North Saskatoon Business Association and Treasury Management Association of Canada.	› **Audit and Finance Committee Member** › **Governance and Corporate Responsibility Committee Member**
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Directors are paid an annual retainer and per diems: › The Board Chair receives an annual retainer of $10,000 and a $600 meeting fee. › Board members receive an annual retainer of $7,000 and a $500 meeting fee. › Committee Chairs receive a $550 Committee Chair meeting fee.	

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- the appointment of the external auditor; and,
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- overseeing human resource strategies, programs and practices;
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- ensuring the Corporation is proactive in addressing safety, health and environment issues and is in compliance with all statutory requirements;
- identifying and recommending competent, skilled candidates for appointment to the Board;
- reviewing the Board's Committee Terms of Reference and the skills matrix required for Board complement;
- managing evaluations of the Board, Committees, Chair and Director performance; and,
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Corporate Governance Practices

STC's approach to corporate governance practices is consistent with the guidelines set forth in the Canadian Securities Administrators (CSA) National Policy 58-201 Corporate Governance Guidelines and National Instrument 58-101 Disclosure of Corporate Governance Practices.

These CSA guidelines outline national governance requirements for publicly traded companies and address areas of responsibility for effective corporate governance.

While the Saskatchewan Transportation Company is not a publicly traded company, its practices are benchmarked against these current industry best practices.

Corporate Governance Scorecard

CSA Corporate Governance Policy, NP 58-201, and Disclosure Instrument, NI 58-101F1 (Summary)	STC Governance Practices - 2010	Consistent with CSA guidelines
Composition of the Board		
NP 58-201, section 3.1 The Board should have a majority of independent directors.	All directors of the STC Board are independent members.	✓
NI 58-101F1, sections 1(a) to (d) 1(a) Disclose the identity of directors who are independent. 1(b) Disclose the identity of directors who are not independent and the basis for that determination. 1(c) Disclose whether the majority of directors are independent. 1(d) Disclose whether a director is a director or any other issuer that is a reporting issuer.	Wayne Lorch (Chair): INDEPENDENT President, Performance Marine Jonathan Abrametz: INDEPENDENT Lawyer, kmp Law North John Breakey: INDEPENDENT President, Watson Land Services (1994) Ltd., Lakewood Holdings Corporation and A.L. Breakey Oil Holdings Ltd. Walter Dutchak: INDEPENDENT (Resigned, Second Quarter 2010) Mervin C. Massier: INDEPENDENT Retired, Banking Industry Professional Bill Missal: INDEPENDENT Retired, Business Person Deb Schmidt: INDEPENDENT Realtor, Royal LePage Premier Realty Section 1(d) does not apply to STC. STC does not have share capital and is not an issuer.	✓
NP 58-201, section 3.2 The chair of the Board should be an independent director who is the effective leader of the Board and who ensures that the Board's agenda will enable it to successfully carry out its duties.	The Chair of the Board is an independent Director who provides effective leadership in all Board activities. Through meeting agendas, the Chair ensures that all required information and decision items are brought forward in a timely and effective manner, enabling the Board to successfully carry out its mandate and responsibilities. The Chair also serves as liaison between the Board and the shareholder.	✓

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CSA Corporate Governance Policy, NP 58-201, and Disclosure Instrument, NI 58-101F1 (Summary)	STC Governance Practices - 2010	Consistent with CSA guidelines
Composition of the Board (cont'd)		
NI 58-101F1, sections 1(f) 1(f) Disclose whether the chair of the Board is an independent director; disclose the identity of the chair and describe the role of the chair.	Wayne Lorch is the Chair of the Board and is an independent director. The Chair reports to the CIC Board of Directors and is responsible to ensure that the shareholder receives accurate, relevant and timely information respecting Board actions and critical corporate issues and initiatives. As the chief spokesperson for the Board, the Chair represents the Board's views to, and reports back to, the Board, respecting communications with the shareholder. The Chair functions in a leadership capacity, and has the statutory authority and obligation to preside over meetings of the Board, and to perform duties and exercise powers assigned by the Board. The Chair's primary responsibilities are to: • chair meetings of the Board, ensuring that meetings are properly convened, business is conducted legally and accurate minutes of proceedings are recorded; • work with the CEO and Corporate Secretary to set Board meeting schedules and establish agendas; • monitor meeting attendance and encourage full participation of directors at meetings; • maintain open channels of communications with directors between meetings; • champion the Corporate approach to governance; • provide leadership in Board organization, optimizing Board and committee structures and operations; • take a lead role in assessing and addressing any concerns related to the performance of the Board, its committees or individual members; • assist directors to achieve full utilization of individual abilities, recommending orientation and training opportunities; • work with Committee chairs to establish effective communications, information sharing mechanisms and establish clear delineation of responsibilities; • act as an ex-officio member of all Board committees; • coach, support and assist the CEO and senior management; • monitor and influence the strategic agenda of the Corporation, providing leadership and advice respecting strategic planning processes, supporting material and outcomes; and • work with the CEO to develop and maintain productive relationships and represent the Corporation.	✓

CSA Corporate Governance Policy, NP 58-201, and Disclosure Instrument, NI 58-101F1 (Summary)	STC Governance Practices - 2010	Consistent with CSA guidelines
Meetings of Independent Directors		
NP 58-201, section 3.3 The independent directors should hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance.	As a standing agenda item, the Board holds an in-camera session without management presence at each regular meeting.	✓
NI 58-101F1, sections 1(e) 1(e) Disclose where the independent directors hold regularly scheduled meetings at which members of management are not present; disclose the number of such meetings held in previous 12 months; if such meetings are not held, disclose what the Board does to facilitate open and candid discussion among independent directors.	The Board held regularly scheduled meetings at which members of management were not present. There were nine (9) regular Board meetings held in 2010, seven (7) of which included in-camera sessions. The Board facilitates open and candid discussions by holding in-camera sessions during these regular meetings without management presence.	✓
NI 58-101F1, sections 1(g) 1(g) Disclose the attendance record of each director for Board meetings held in the most recently completed financial year.	There were nine (9) Board meetings in the calendar year 2010. The following are the Director's attendance statistics: **Director** — **Meetings Attended*** Wayne Lorch (Chair) — 9 of 9 Jonathan Abrametz — 8 of 9 John Breakey — 8 of 9 Mervin C. Massier — 8 of 9 Bill Missal — 9 of 9 Deb Schmidt — 9 of 9 Walter Dutchak — 0 of 2 * For the purpose of this report, members who attended meetings in part were considered to be present.	✓

CSA Corporate Governance Policy, NP 58-201, and Disclosure Instrument, NI 58-101F1 (Summary)	STC Governance Practices - 2010	Consistent with CSA guidelines
Board Mandate		
NP 58-201, section 3.4 The Board should adopt a written mandate in which it explicitly acknowledges responsibility for the stewardship of the issuer, including responsibility for: (a) to the extent feasible, satisfying itself as to the integrity of the Chief Executive Officer (the CEO) and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the organization; (b) adopting a strategic planning process and approving, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the business; (c) the identification of the principal risks of the issuer's business, and ensuring the implementation of appropriate systems to manage these risks; (d) succession planning (including appointing, training and monitoring senior management); (e) adopting a communication policy for the issuer; (f) the issuer's internal control and management information systems; and, (g) developing the issuer's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the issuer.	The function of the Board is to act as stewards of the Corporation. The Board has a statutory authority and obligation to manage the affairs and business of the Corporation. While the fundamental objective of the Board is to act in the best interests of the Corporation, the Board has a responsibility to ensure congruence between shareholder expectations, corporate plans and management performance. The Board of Directors has a written Terms of Reference, which is reviewed annually. These terms outline its responsibilities and principal duties. a. One of the Board's principal duties is to appoint, monitor and evaluate the performance of the President & CEO, taking appropriate action as warranted. The Governance and Corporate Responsibility Committee has established reporting standards to promote a culture of ethical business conduct among other executive officers. b. The Board participates in an annual strategic planning process with officers and senior management. The outcome of this process establishes the core objectives and strategic direction of the Corporation for the upcoming year. A complete strategic plan is approved annually and includes the identification of business opportunities, threats, new initiatives, operating goals and performance measures. c. A principal duty of the Board is to identify principal risks of the business in which the Corporation is engaged, to achieve a proper balance between risks incurred and potential returns, and to oversee the implementation of appropriate systems to manage the risks. The Board delegates this responsibility to the Audit and Finance Committee. d. The Board has delegated the responsibility of succession planning to the Governance and Corporate Responsibility Committee to oversee. The Committee reviews the plan on an annual basis and reports its findings to the Board. e. The Board adopts policies and processes to enable effective communication with the shareholder, stakeholders and the public. f. The Board monitors the integrity of the Corporation's internal control and management information systems. g. The Board has delegated the Corporation's approach to corporate governance to the Governance and Corporate Responsibility Committee to oversee.	✓

CSA Corporate Governance Policy, NP 58-201, and Disclosure Instrument, NI 58-101F1 (Summary)	STC Governance Practices - 2010	Consistent with CSA guidelines
Board Mandate (cont'd)		
NP 58-201, section 3.4 (cont'd) The written mandate of the Board should also set out measures for receiving feedback from stakeholders (*e.g.*, the Board may wish to establish a process to permit stakeholders to directly contact the independent directors), and expectations and responsibilities of directors, including basic duties and responsibilities with respect to attendance at Board meetings and advance review of meeting materials.	STC surveys internal and external stakeholders to obtain feedback about Corporate activities. The Chair of the Board participates in a forum established by CIC, which is comprised of the chairs of all subsidiary Crown Boards and senior CIC officials, where issues of mutual interest and concern are shared. The Board's Terms of Reference outlines expectations and responsibilities of directors and it also provides the Chair the right to recommend to CIC the removal or replacement of a member that has missed two consecutive regularly scheduled Board meetings or has attended fewer than 60 per cent of all meetings held in any year. STC is not an issuer.	✓
NI 58-101F1, sections 2 Disclose the text of the Board's written mandate.	The Board's principal responsibilities are described in the NP 58-201, section 3.4. The text of the Board's Terms of Reference can be obtained by contacting the Corporate Secretary to the Board.	✓
Position Descriptions		
NP 58-201, section 3.5 The Board should develop clear position descriptions for the chair of the Board and the chair of each Board committee. In addition, the Board, together with the CEO, should develop a clear position description for the CEO, which includes delineating management's responsibilities. The Board should also develop or approve the corporate goals and objectives that the CEO is responsible for meeting.	The Crown Corporations Act, 1993 subsection 23 (5) and CIC "Chair of the Board Terms of Reference" outline the primary duties of the Chair of the Board. There is a Terms of Reference for the Board and each Committee of the Board and written position descriptions are in place for the Chair, each Committee Chair, and the CEO. The Board's Terms of Reference sets out matters that require Board approval and delegate other matters to management. The Board annually approves a strategic business and performance management plan, which includes the Corporate objectives and goals (balanced scorecard targets) for the upcoming year. The CEO is ultimately responsible to the Board for meeting these goals and objectives.	✓

CSA Corporate Governance Policy, NP 58-201, and Disclosure Instrument, NI 58-101F1 (Summary)	STC Governance Practices - 2010	Consistent with CSA guidelines
Position Descriptions (cont'd)		
NI 58-101F1, sections 3(a) and (b) 3(a) Disclose whether the Board has developed written position descriptions for the Chair of the Board and the Chair of each Board Committee and, if not, describe how the Board delineates the role and responsibilities of each such position. 3(b) Disclose whether the Board and CEO have developed a written position description for the CEO.	In addition to the Terms of Reference, which has been developed for the Board and Board Committees, a checklist of annual deliverables guide the Board's and Committees' planning and decision making, ensuring that all governance requirements are met. Through regular evaluations of performance, the Company can satisfy itself that all governance requirements for the Chair of the Board, Chair of Board Committees and CEO are met. Specific written position descriptions are in place to ensure governance standards are met in this area.	✓
Orientation and Continuing Education		
NP 58-201, section 3.6 The Board should ensure that all new directors receive a comprehensive orientation. All new directors should fully understand the role of the Board and its committees, as well as the contribution individual directors are expected to make (including, in particular, the commitment of time and resources that the issuer expects from its directors). All new directors should also understand the nature and operation of the issuer's business.	Orientation sessions are held between management and directors, providing insights into the business and its operations. Written reference materials are provided to supplement these orientation sessions. The Board also receives regular operations and management updates at each of its regular meetings. In the circumstance that there are new Board members appointed, a Board orientation will be scheduled.	✓
NP 58-201, section 3.7 The Board should provide continuing education opportunities for all directors, so that individuals may maintain or enhance their skills and abilities as directors, as well as to ensure their knowledge and understanding of the issuer's business remains current.	CIC's Board Training Program covers all the Crown Corporations' education programs. All STC Board members have the opportunity to take part in various sessions of this training throughout the year. Currently, modules are available from McMaster University's DeGroote School of Business for director certification.	✓

CSA Corporate Governance Policy, NP 58-201, and Disclosure Instrument, NI 58-101F1 (Summary)	STC Governance Practices - 2010	Consistent with CSA guidelines
Code of Business Conduct and Ethics		
NP 58-201, section 3.8 The Board should adopt a written code of business conduct and ethics (a code). The code should be applicable to directors, officers and employees of the issuer. The code should constitute written standards that are reasonably designed to promote integrity and to deter wrongdoing. In particular, it should address the following issues: (a) conflicts of interest, including transactions and agreements in respect of which a director or executive officer has a material interest; (b) protection and proper use of corporate assets and opportunities; (c) confidentiality of corporate information; (d) fair dealing with the issuer's security holders, customers, suppliers, competitors and employees; (e) compliance with laws, rules and regulations; and, (f) reporting of any illegal or unethical behaviour.	Directors and officers must comply with *The Crown Corporations Act, 1993 Part VI*, which explicitly outlines duty of care, conflict of interest and indemnification. The Board must also comply with the *CIC's Directors' Code of Conduct*, which is applicable to all directors of its subsidiary Crown Boards. A copy of the Directors' Code of Conduct can be obtained by contacting the Corporate Secretary to the Board. In 2008, an affirmation of fiduciary duty and responsibility to respect confidentiality was established by the Board and must be endorsed by each director annually. Officers and employees of the Corporation must comply with STC's Code of Conduct. Management reports on the compliance with the Corporation's Code of Ethical Conduct to the Governance and Corporate Responsibility Committee at each of its regular meetings.	✓
NP 58-201, section 3.9 The Board should be responsible for monitoring compliance with the code. Any waivers from the code that are granted for the benefit of the issuer's directors or executive officers should be granted by the Board (or a Board Committee) only.	The Governance and Corporate Responsibility Committee has the duty and responsibility to administer the Director's Code of Conduct, report on compliance with the code and provide advice to the Directors on conflict of interest.	✓

CSA Corporate Governance Policy, NP 58-201, and Disclosure Instrument, NI 58-101F1 (Summary)	STC Governance Practices - 2010	Consistent with CSA guidelines
Code of Business Conduct and Ethics (cont'd)		
NI 58-101F1, sections 5(a) 5(a) Disclose whether the Board has adopted a written code of ethical business conduct for the directors, officers and employees of the corporation; how to obtain a copy of the Code; how the Board monitors compliance with the Code and reference any material change report in the most recent financial year relating to any conduct of a director or officer that constitutes a departure from the code.	A copy of *CIC's Code of Conduct* can be obtained by contacting the Corporate Secretary to the Board. The Audit and Finance Committee assists the Board in fulfilling its financial accountability by maintaining oversight of the Corporation's budget and financial operations; reviewing internal controls; participating in the audit processes; monitoring capital assets; reviewing and recommending on capital activities; and, ensuring systems are in place to identify and manage risk. The Chair of the Audit and Finance Committee reports to the Board any such issues addressed by the Committee, and all directors receive summaries of risk management reports. The Governance and Corporate Responsibility Committee reviews, develops and maintains corporate governance practices and oversees the Board's nominating and governance activities. Duties and responsibilities include: overseeing processes for evaluating the performance of the Board, Committees, Chair, directors and CEO, and ensuring Board orientation and opportunity for professional development. The Chair of the Governance and Corporate Responsibility Committee reports to the Board any such issues addressed by the Committee. No waivers from the Code were granted to any directors in 2010. In 2010, the Governance and Corporate Responsibility Committee changed the frequency of officer and employee compliance with the Code reporting, from once a year to a regular report at each of its meetings.	✓
NI 58-101F1, sections 5(b) 5(b) Describe steps that the Board takes to ensure directors exercise independent judgment in considering transactions and agreements where a director or officer has a material interest.	Where a director has, or is perceived to have personal interest in a transaction being considered by the Corporation, the director has a fiduciary responsibility to declare such interest at the meeting in which the matter is being considered. The CEO monitors agenda items to identify any issues where a director or officer may have a material interest and such items would not be distributed to the director.	✓
NI 58-101F1, sections 5(c) 5(c) Describe other steps the Board takes to encourage and promote a culture of ethical business conduct.	The Governance and Corporate Responsibility Committee has been tasked with the undertaking to ensure that the Board is in full compliance with industry best practices in corporate governance.	✓

CSA Corporate Governance Policy, NP 58-201, and Disclosure Instrument, NI 58-101F1 (Summary)	STC Governance Practices - 2010	Consistent with CSA guidelines
Nominations of Directors		
NP 58-201, section 3.10 The Board should appoint a nominating committee composed entirely of independent directors.	The Governance and Corporate Responsibility Committee serves as the nominating committee and is comprised of all independent Board members.	✓
NI 58-101F1, sections 6(a) and (b) 6(a) Describe the process by which the Board identifies new candidates for Board nomination. 6(b) Disclose whether the Board has a nominating committee composed entirely of independent directors and, if not, describe the steps the Board takes to encourage an objective nomination process.	The Governance and Corporate Responsibility Committee (the nominating committee) is comprised of all independent Board members. They review skills and composition of current directors annually and perform a needs and skills assessment when the need for a new member arises. The Committee identifies skill sets required on the Board and seeks input from directors as well as independent sources and professional associations for nominees. It then recommends to the Board those nominees that have the required competencies to fill any identified skill gap(s). Potential candidates' CVs are reviewed to determine a fit with the Board's needs. The Chair of the Governance Committee produces a short list of candidates. The Committee makes recommendations to the Board and the Board then makes recommendations to the shareholder. The shareholder has the legislative authority to make Board appointments and all appointments are by Order in Council.	✓
NP 58-201, section 3.11 The nominating committee should have a written charter that clearly establishes the committee's purpose, responsibilities, member qualifications, member appointment and removal, and structure and operations (including any authority to delegate to individual members and subcommittees).	The Governance and Corporate Responsibility Committee's Terms of Reference establishes the Committee's role and responsibility to act as advisors to the Board regarding purpose and responsibilities that include the objectives to advise the Board regarding nominees for positions on the Board of Directors.	✓
NI 58-101F1, sections 6(c) 6(c) If the Board has a nominating committee, describe the responsibilities, powers and operation of the committee.	The Governance and Corporate Responsibility Committee performs the function of the nominating committee. Its Terms of Reference describes the responsibilities, powers and operation of the Committee. The Committee is appointed by the Board and serves in an advisory capacity. A copy of the Committee's Terms of Reference can be obtained by contacting the Corporate Secretary to the Board.	✓

CSA Corporate Governance Policy, NP 58-201, and Disclosure Instrument, NI 58-101F1 (Summary)	STC Governance Practices - 2010	Consistent with CSA guidelines
Nominations of Directors (cont'd)		
NP 58-201, section 3.12 Prior to nominating or appointing individuals as directors, the Board should adopt a process involving the following steps: (a) Consider what competencies and skills the Board, as a whole, should possess. In doing so, the Board should recognize that the particular competencies and skills required for one issuer may not be the same as those required for another. (b) Assess what competencies and skills each existing director possesses. It is unlikely that any one director will have all the competencies and skills required by the Board. Instead, the Board should be considered as a group, with each individual making his or her own contribution. Attention should also be paid to the personality and other qualities of each director, as these may ultimately determine the boardroom dynamic. The Board should also consider the appropriate size of the Board, with a view to facilitating effective decision-making.	The Board's nomination process meets these guidelines. As stated in its Terms of Reference, the Board shall be comprised of not more than ten (10) members. Board members are appointed by Order in Council.	✓
NP 58-201, section 3.13 The nominating committee should be responsible for identifying individuals qualified to become new Board members and recommending to the Board the new director nominees for the next annual meeting of shareholders.	As outlined in its Terms of Reference, the Governance and Corporate Responsibility Committee has the responsibility to advise the Board regarding the composition of the Board and puts forward, for consideration, qualified nominations to fill vacant positions, which are then forwarded to CIC for consideration and decision.	✓

CSA Corporate Governance Policy, NP 58-201, and Disclosure Instrument, NI 58-101F1 (Summary)	STC Governance Practices - 2010	Consistent with CSA guidelines
Nominations of Directors (cont'd)		
NP 58-201, section 3.14 In making its recommendations, the nominating committee should consider: (a) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess; (b) the competencies and skills that the Board considers each existing director to possess; and, (c) the competencies and skills each new nominee will bring to the boardroom. The nominating committee should also consider whether or not each new nominee can devote sufficient time and resources to his or her duties as a Board member.	The process followed by the Governance and Corporate Responsibility Committee complies with that set out in these guidelines.	✓
Compensation		
NP 58-201, section 3.15 The Board should appoint a compensation committee composed entirely of independent directors.	The Board appoints a Compensation Sub-Committee. The composition of this committee is the Board Chair and Chair of Governance and the chair of Audit and Finance.	✓
NI 58-101F1, sections 7(a) and (b) 7(a) Describe the process by which the Board determines compensation for the directors and officers of the Corporation. 7(b) Disclose whether the Board has a Compensation Committee composed entirely of independent directors and, if not, describe the steps the Board takes to ensure an objective process for determining such compensation.	Board compensation is paid in accordance with *The Crown Corporations Act, 1993*, subsection 9 and CIC's remuneration schedule. These documents outline the annual remuneration and rates of reimbursement for the expenses incurred by directors of subsidiary Crown Corporations. A copy of CIC's remuneration and expense guidelines for directors can be obtained by contacting CIC or the Corporate Secretary to the Board. A framework for officer's compensation has been established by CIC. The Board has the authority to approve compensation and benefit packages within that framework.	✓

CSA Corporate Governance Policy, NP 58-201, and Disclosure Instrument, NI 58-101F1 (Summary)	STC Governance Practices - 2010	Consistent with CSA guidelines
Compensation (cont'd)		
NP 58-201, section 3.16 The Compensation Committee should have a written charter that establishes the committee's purpose, responsibilities, member qualifications, member appointment and removal, structure and operations (including any authority to delegate to individual members or subcommittees), and the manner of reporting to the Board. In addition, the Compensation Committee should be given authority to engage and compensate any outside advisor it determines necessary to permit carrying out its duties.	The Board takes direct responsibility for compensation matters and by resolution appoints a Compensation Sub-Committee for the purpose of reviewing and recommending Executive short-term incentive measures and targets each year to the Board. All decisions are made within the policy framework set forth by CIC. The Committee's purpose, responsibilities and structure are recorded in the Corporate meeting minutes. If the Board deems it necessary, it has the authority to engage outside professional advisors to properly discharge its functions, duties and responsibilities.	✓
NI 58-101F1, sections 7(c) 7(c) If the Board has a Compensation Committee, describe the responsibilities, powers and operation of the committee.	By resolution of the Board, a Compensation Sub-Committee is appointed annually for the purpose of reviewing and recommending to the Board the Executive short-term incentive measures and targets. The Board approves compensation and determines the performance rating of the CEO to determine compensation and for any progression within the salary ranges established by CIC.	✓
NP 58-201, section 3.17 The Compensation Committee should be responsible for: (a) reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of those corporate goals and objectives, and determining (or making recommendations to the Board with respect to) the CEO's compensation level based on this evaluation; (b) making recommendations to the Board with respect to non-CEO officer and director compensation, incentive-compensation plans and equity-based plans; and,	a. The Board Chair and Chair of Governance conduct annual CEO performance evaluations. The Board annually sets and reviews corporate target objectives and the degree of success that the CEO has achieved in aligning with pre-determined targets. The results of the CEO evaluation are used to determine compensation. This CEO evaluation process was completed in 2010. b. The Board annually sets and reviews corporate target objectives and the degree of success that the corporate officers have achieved in aligning with the pre-determined targets. Under the established Short Term Incentive Program, all officers are eligible for compensation based on the degree of success in attaining these corporate performance objectives. Compensation approvals and decision making processes are subject to guidelines, as provided by CIC. As a provincially owned Crown Corporation, STC does not have equity-based plans.	✓

CSA Corporate Governance Policy, NP 58-201, and Disclosure Instrument, NI 58-101F1 (Summary)	STC Governance Practices - 2010	Consistent with CSA guidelines
Compensation (cont'd)		
NP 58-201, section 3.17 (cont'd) (c) reviewing executive compensation disclosure before the issuer publicly discloses this information.	c. CEO, officer and employee compensation disclosure occurs in the form of an annual payee list, which is recommended to the Board by the Audit and Finance Committee. Upon Board approval, the payee list is submitted and publicly disclosed through tabling with the Crown and Central Agencies Committee of the legislature. Under *The Crown Employment Contracts Act*, the CEO, officers and senior managers, who report directly to the CEO, are also required to file their employment contract details to the Clerk of the Executive Council.	✓
NI 58-101F1, sections 7(d) 7(d) If a compensation consultant has been retained, at any time during the Corporation's most recently completed fiscal year, to assist in determining compensation for any of the Corporation's directors and officers, disclose the identity of the consultant and briefly summarize their mandate. If retained to perform any other work, state the fact and briefly describe the nature of the work.	In 2010, the Corporation did not retain a compensation consultant.	✓
Other Board Committees		
NI 58-101F1, sections 8 If the Board has standing committees of the Board, other than audit, compensation and nominating committees, identify the committees and describe their function.	Committees of the Board include the Governance and Corporate Responsibility Committee, the Audit and Finance Committee and an ad hoc committee specific to executive compensation. Their functions are described in previous sections. The Board does not have any other Committees.	✓

CSA Corporate Governance Policy, NP 58-201, and Disclosure Instrument, NI 58-101F1 (Summary)	STC Governance Practices - 2010	Consistent with CSA guidelines
Board Assessments		
NP 58-201, section 3.18 The Board, its committees and each individual director should be regularly assessed regarding his, her or its effectiveness and contribution. An assessment should consider: (a) in the case of the Board or a Board committee, its mandate or charter, and, (b) in the case of an individual director, the applicable position description(s), as well as the competencies and skills each individual director is expected to bring to the Board.	The Governance and Corporate Responsibility Committee, with the assistance of the Corporate Secretary to the Board, is responsible for conducting such evaluations and reporting results to the Board. All CIC subsidiary Crown Corporation Boards conduct performance evaluations on a two-year cycle. Director peer, Committee Chair and Committee evaluations were conducted in 2009 and all CIC subsidiary Crown Boards completed performance evaluations of the Board and the Board Chair in 2009. The Board and its Committees review their Terms of Reference annually. Directors' skills are reviewed annually; individual Directors are plotted on a skills matrix and are assessed as part of a regular peer review.	✓
NI 58-101F1, sections 9(a) 9(a) Disclose whether the Board, its committees and individual directors are regularly assessed with respect to their effectiveness and contributions and, if yes, describe the process used.	The evaluations are conducted using an instrument developed by CIC. Directors complete surveys, which allow them to provide feedback in writing on the effectiveness of the Board, Committees, Chairs and individual Directors. The Governance and Corporate Responsibility Committee outlines evaluation results, which are submitted to the Board for review and approval. The Committee tracks implementation of any action items.	✓

Corporate Directory

Executive Officers

Shawn Grice
President and Chief Executive Officer

Shawn Grice was appointed as STC's President and Chief Executive Officer in August 2010, after acting in the role since February 2010. Before becoming CEO, Mr. Grice served as Chief Financial Officer (CFO) since 1998. Previous to his joining the company, Mr. Grice was a Business Analyst (responsible for STC) with Crown Investments Corporation, a Financial Analyst with the Saskatchewan Department of Finance, and a Senior Accountant with KPMG Peat Marwick Thorne. Mr. Grice graduated with a Bachelor of Commerce (Great Distinction) from the University of Saskatchewan and also holds a CA designation. He is a board member and Finance Chair with the Regina Downtown Business Improvement District.

Jason Sherwin
Acting Chief Financial Officer

Jason Sherwin rejoined the company in January 2009 as Director of Finance, having worked with STC previously from 1999-2004 as Assistant Controller. Prior to 2009, Mr. Sherwin was employed with Greystone Managed Investments Inc. as Manager, Real Estate Portfolio Administration and as Controller with PW Group. Mr. Sherwin also held accounting positions with Markusson New Holland and KPMG. He graduated with a Bachelor of Commerce (Distinction) from the University of Saskatchewan and also holds a CA designation.

Phil Bohay
Chief Operating Officer

Phil Bohay joined STC in June 2008 to head STC Customer Services and Operations. Prior to that, Mr. Bohay was employed 36 years with SaskTel in various areas of the company, working his way up to the position of General Manager, Customer Services-Business Sales. Mr. Bohay holds a Master of Business Administration degree from the University of Regina, is a graduate of the Duke University Program for Manager Development and holds a certificate in Advanced Marketing from the Banff School of Management.

Brad Dewald
Director, Corporate Systems and Technology

Brad Dewald was first employed at STC from May 2000 to October 2004, and returned in October 2006 as Director of Corporate Systems and Technology. From November 2004 to September 2006, Mr. Dewald led SaskEnergy's Information Technology team, and prior to joining STC in 2000, he was the technical lead for 12 years at the Saskatchewan Liquor and Gaming Authority. He also spent four years in the consulting industry where he was a key member of a team that first automated Saskatchewan's justice system. Mr. Dewald graduated with a Business Diploma majoring in Data Processing.

Lynn Jacobson
Director, Human Resources and Payroll

Lynn Jacobson joined STC in June 2008 to head the Human Resources division, bringing with her 25 years of government experience including training, compensation, payroll, corporate services and labour relations. Her work history includes positions with the Saskatchewan Public Service Commission, Saskatchewan Energy and Mines, Saskatchewan Environment and Resource Management and Saskatchewan Government Insurance. Prior to joining STC, Lynn was employed as the Executive Director, Employee Service Centre (ESC) with the Saskatchewan Public Service Commission. Ms. Jacobson holds both Bachelor and Master of Administration degrees from the University of Regina.

Todd MacKay
Acting Director, Communications and Planning

Todd MacKay joined STC in July 2010 as Acting Director of Communications and Planning. Prior to joining STC, Mr. MacKay worked at Agriculture Canada in Ottawa for three years in the role of communications director. Before working in government, Mr. MacKay was a community newspaper reporter. Mr. MacKay holds a Bachelor of Arts in English from the University of Saskatchewan and a Bachelor of Journalism from the University of King's College at Dalhousie University.

Salary ranges for STC's Executive Team, as of December 31, 2010, are:

- President and Chief Executive Officer: $134,126 to $167,658
- Salary range for other Executive members: $96,905 to $142,508

Senior Management Team

Bob Bailey
Saskatoon, Manager, Customer Service
and Operations North

Allan Douglas
Regina, Manager, Customer Service
and Operations South

Patti Fry
Regina, Manager, Financial Services

Warren Fullerton
Saskatoon, Manager, Maintenance

Shelley Kosior
Regina, Manager, Risk and Compliance

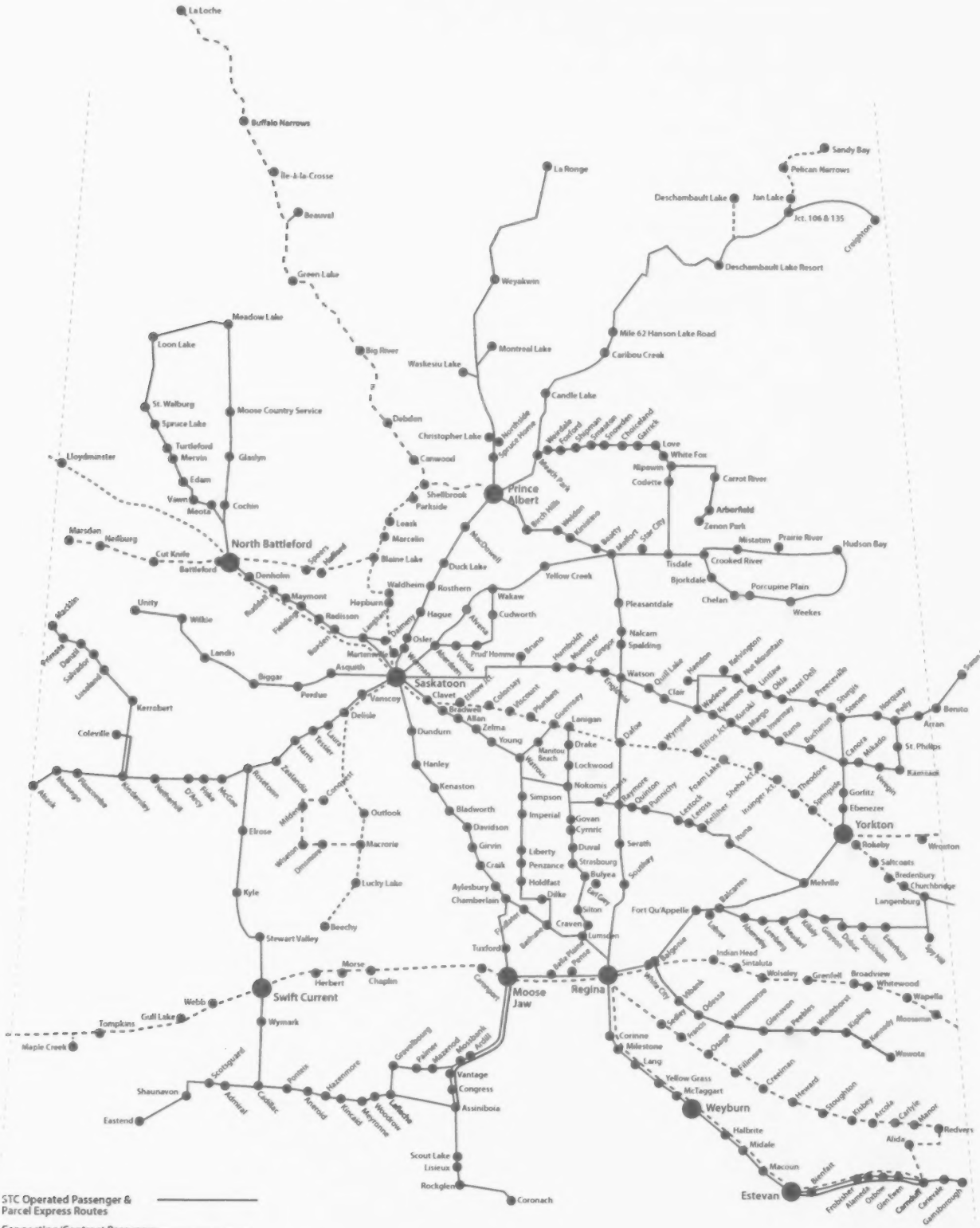
Dean Madsen
Regina, Director of Business Development

Cheryl Matsalla
Regina, Senior Administrative Assistant

Kim Reeve
Regina, Manager, Corporate Business Systems

Brian Roulston
Regina, Manager, Corporate Information
Technology

Saskatchewan Transportation Company: Route Map


La Loche
Buffalo Narrows
Ile-à-la-Crosse
Beauval
Green Lake
Meadow Lake
Loon Lake
St. Walburg
Spruce Lake
Turtleford
Mervin
Edam
Vawn
Meota
Glaslyn
Moose Country Service
Cochin
Lloydminster
Marsden
Neilburg
Cut Knife
Battleford
North Battleford
Denholm
Maymont
Radisson
Unity
Wilkie
Landis
Biggar
Asquith
Perdue
Saskatoon
Kerrobert
Coleville
Delisle
Vanscoy
Clavet
Colonsay
Viscount
Bradwell
Allan
Zelma
Dundurn
Young
Hanley
Kenaston
Bladworth
Davidson
Girvin
Craik
Aylesbury
Chamberlain
Elrose
Outlook
Macrorie
Lucky Lake
Kyle
Beechy
Stewart Valley
Swift Current
Webb
Gull Lake
Tompkins
Maple Creek
Wymark
Morse
Herbert
Chaplin
Shaunavon
Eastend
Scotsguard
Admiral
Cadillac
Ponteix
Arnevold
Hazenmore
Kincaid
Woodrow
Maymont
Lancer
Gravelbourg
Palmer
Mazenod
Moorhead
Acadia
Vantage
Congress
Assiniboia
Scout Lake
Lisieux
Rockglen
Coronach
Tuxford
Caronport
Moose Jaw
Regina
Craven
Lumsden
Silton
Holdfast
Dilke
Liberty
Penzance
Strasbourg
Bulyea
Imperial
Govan
Cymric
Duval
Simpson
Nokomis
Lockwood
Drake
Manitou Beach
Watrous
Lanigan
Watson
Pleasantdale
Nalcam
Spalding
Humboldt
Muenster
St. Gregor
Bruno
Prud'Homme
Wakaw
Cudworth
Hague
Rosthern
Waldheim
Hepburn
Osler
Martensville
Aberdeen
Warman
Dalmeny
Alvena
Leask
Marcelin
Blaine Lake
Shellbrook
Parkside
Canwood
Debden
Big River
Waskesiu Lake
Montreal Lake
Weyakwin
La Ronge
Prince Albert
Christopher Lake
Northside
Spruce Home
Candle Lake
Caribou Creek
Mile 62 Hanson Lake Road
Deschambault Lake Resort
Deschambault Lake
Jan Lake
Jct. 106 & 135
Pelican Narrows
Sandy Bay
Creighton
Love
White Fox
Nipawin
Codette
Carrot River
Arborfield
Zenon Park
Star City
Tisdale
Crooked River
Mistatim
Prairie River
Hudson Bay
Bjorkdale
Porcupine Plain
Chelan
Weekes
Melfort
Kinistino
Beauly
Birch Hills
Weldon
Meath Park
Duck Lake
Yellow Creek
Rosetown
Zealandia
Conquest
Harris
Tessier
Laura
Delisle
Kerrobert
Kindersley
Dodsland
Plenty
McCord
Dinsmore
Milden
Wiseton
Rosetown

Senior Management Team

Bob Bailey
Saskatoon, Manager, Customer Service
and Operations North

Allan Douglas
Regina, Manager, Customer Service
and Operations South

Patti Fry
Regina, Manager, Financial Services

Warren Fullerton
Saskatoon, Manager, Maintenance

Shelley Kosior
Regina, Manager, Risk and Compliance

Dean Madsen
Regina, Director of Business Development

Cheryl Matsalla
Regina, Senior Administrative Assistant

Kim Reeve
Regina, Manager, Corporate Business Systems

Brian Roulston
Regina, Manager, Corporate Information
Technology

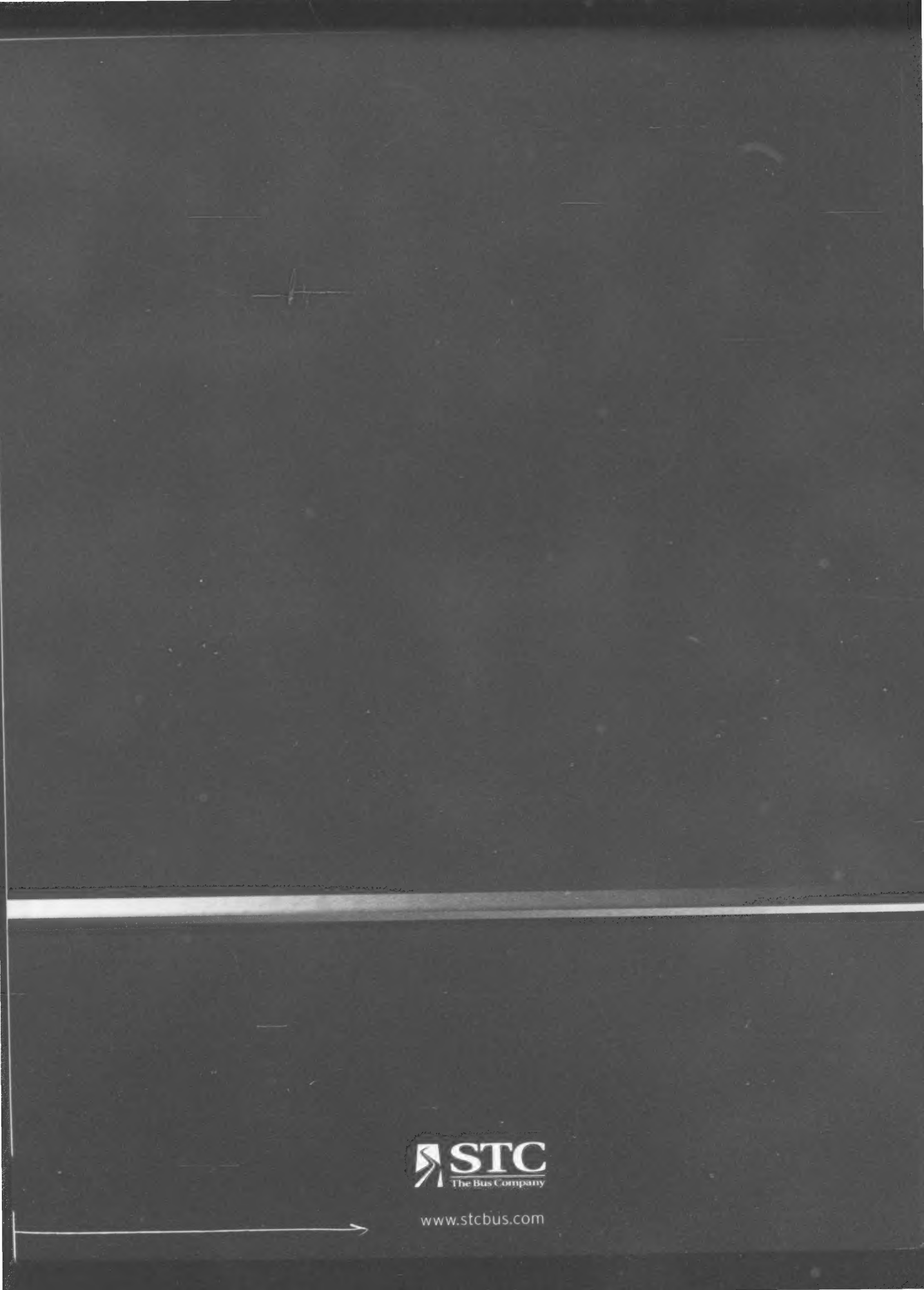
Saskatchewan Transportation Company: Route Map

STC Operated Passenger & Parcel Express Routes

Connecting/Contract Passenger & Freight Carriers

Connecting/Contract Freight Carriers Only

February 2011
www.stcbus.com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